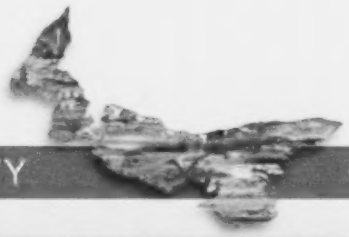
Rural Action Plan

A Rural Economic Development Strategy for Prince Edward Island

Prince Edward Island
CANADA



ONE ISLAND COMMUNITY ONE ISLAND FUTURE

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Foreword from Premier Robert Ghiz

The world over, Prince Edward Island's identity is strongly associated with its rural and small town nature. We enjoy a tremendous international reputation for our natural beauty, hospitality, and unique geographic character. For all Islanders, wherever they may live today, our picturesque patchwork of fields and forests, and the pristine waters that surround them, have instilled a deep attachment to our Province.

However, many of our more rural communities have experienced declining economic fortunes, and need strategies to achieve renewal and prosperity. In the 2008 Speech from the Throne, the provincial government announced its intention to undertake the development of a rural economic development strategy. The strategy would bring a government-wide focus to rural issues, in an effort to ensure that the needs and aspirations of rural residents are taken in account in all government policies.

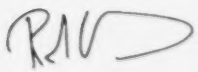
Now, with the establishment of a new department responsible for rural development, and the production of a rural economic development strategy, the future of rural communities is being addressed for the first time in a comprehensive manner.

The *Rural Action Plan* has been developed through broad consultations with Islanders, representing all sectors of our economy. It sets out many ambitious goals, and an action plan to achieve them. The Plan builds on a number of key initiatives that the provincial government has already initiated, and sets out numerous new measures designed to foster strong, growing and healthy rural communities.

To achieve overall future prosperity, Prince Edward Island depends on government policies and programs the benefit both urban and rural communities. All Islanders recognize that achieving a balance between rural and urban growth is essential to strengthening our quality of life and standard of living. That is the spirit of the 'One Island Community, One Island Future' theme that guides the provincial government.

The challenges facing rural communities are not unique to our province. Across North America, many rural communities are in decline. However, we believe that because of the unique size and scale of Prince Edward Island, the province enjoys advantages that will allow us to affect successful rural revitalization and renewal. Through the *Rural Action Plan*, the government will work with rural Islanders to capitalize on our strengths and pursue new opportunities. The Plan marks the beginning of a new era in Prince Edward Island.

I welcome you to read the Plan, and hope you will see – as I do – the many benefits and great promise it holds for the future of rural Prince Edward Island.



Premier Robert Ghiz

Message from the Minister

In Prince Edward Island, rural communities contribute greatly to the wealth of our province, our proud culture, and our rich heritage. The veracity and resilience of rural Islanders is a tremendous testament to the province's spirit and ambition. But as with many rural areas, in Canada and abroad, our rural areas must face the myriad of challenges that come with a rapidly changing world.

Since before Confederation, the people and governments of Prince Edward Island have made efforts to improve the fortunes of the Island's rural communities. This legacy of community leadership, marked by over a century of adaptation and progress, is perhaps best embodied in the Co-op Movement and the Comprehensive Development Plan. These initiatives sought to improve the standard of living and quality of life for rural residents. However, for much of the post-World War II period, rural Prince Edward Island experienced slow economic growth.

In recent decades, new trends have emerged – such as technological advances and urban infrastructure – that have broadened the influence of urban areas on the overall Island economy. Charlottetown and Summerside, for example, have grown to become key service and employment centres. As more people work in the cities, but continue to live in nearby rural areas, the lines between rural and urban regions have become blurred; economies that have traditionally been mutually dependent, but disparate, are becoming increasingly integrated.

But more remote rural communities have not enjoyed the same growth and breadth of opportunities. Rural areas continue to grapple with high unemployment, low wages, labour force challenges and a persistent out-migration of the population, particularly young people. Investments are needed to strengthen the economies of our rural regions in order to fully realize the vision, as enunciated in the 2008 Throne Speech, of a "One Island Community, One Island Future." Building on the legacy set out in the Co-op Movement and the development plan of 1969, rural Prince Edward Island must now renew once again.

The provincial government has taken a thorough and consultative approach to addressing challenges in our rural regions. This effort has initially included:

1. The establishment of the Commission on Nitrates in Groundwater to develop insightful approaches to the environmental challenges facing rural industries and rural residents;

2. The inclusion of two strategic sectors in the *Island Prosperity Strategy* that will have significant impacts on the rural economy: Renewable Energy and Bioscience. The Strategy also laid out an *Accelerated Rural Broadband Strategy*;

3. The establishment of the Commission on the Future of Agriculture and Agri-food on Prince Edward Island, which was an Industry-led visioning process to articulate a shared vision for the future of our largest wealth producing primary sector. The product of this Commission's work, *Growing the Island Way*, provides a roadmap for an innovative, competitive and prosperous future for agriculture;

4. The establishment of fisheries initiatives, including the Low Interest Loan Program, the Lobster Industry Roundtable, the Five Point Lobster Plan, as well as funding to address invasive species impacting the PEI mussel industry and an expanded oyster development program to address the immediate needs of this important sector on the Island's economy;

5. The appointment of the Commissioner on the Land and Local Governance, who was tasked with reviewing the structures that govern our land and communities in order to better enable the province to respond to the challenges of the future. His report, *New Foundations*, provides an action plan for progress on issues of high importance to rural Prince Edward Island.

The *Rural Action Plan* represents the culmination of these efforts, combined with the input garnered from an extensive, province-wide consultation process that derived input from over 1,200 Islanders. The Plan sets out 40 Actions intended to focus on existing and new efforts to develop the rural economy. The Actions are based on seven goals:

Goal 1: To create a sound basis for rural businesses to grow, for new ones to be formed and for new sectors to emerge.

Goal 2: To enable the growth of innovative, competitive and sustainable primary sectors, in order to ensure that they remain pillars of the rural economy and community for generations to come.

Goal 3: To augment rural areas of Prince Edward Island as tourist destinations; to expand and grow products, such as festivals and events, that complement the primary sectors and strengthen local culture, while increasing visitations Island-wide.

Goal 4: To improve the balance between the growth and health of primary industries and rural communities with the need for environmental conservation.

Goal 5: To invest in community development efforts and to strengthen community-based capacities.

Goal 6: To invest in education and the development of human resources in order to create opportunities, strengthen the base of Island industries and to share – to the fullest extent possible – the benefits of the 'One Island Community' principle.

Goal 7: To increase development investments in areas of greatest need in order to stimulate growth and opportunity.

Although the implementation of aspects of the *Rural Action Plan* is already underway, a full-scale implementation period of all the actions in the Plan will begin April 1, 2010.

In our most recent Speech from the Throne, "One Island Community, Working Together," we stressed that the government is committed to a goal of building our One Island Community. We also recognized

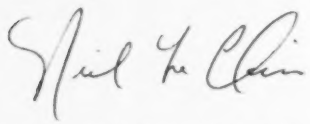
that our urban and rural regions have unique strengths, needs and opportunities.

The *Rural Action Plan* seeks to make progress toward fulfilling the government's vision of "One Island Community, One Island Future" by recognizing the increased interdependence between our rural and urban economies, reinforcing efforts to alter the trajectory of decline in rural Prince Edward Island, building a strong foundation for renewal, widening opportunities for rural citizens and levelling up economic outcomes across the province.

To conclude, I would like to extend, first and foremost, my thanks to all of those who participated in the consultation phase of the development of the strategy – your contribution has been invaluable and it is my hope that we have adequately represented your voice and vision in the *Rural Action Plan*.

I would also like to thank the members of the Rural Economic Development Advisory Council: Norma MacNeill (Chair), Russell Gallant, Leonce Bernard, Jeanette Arsenault, Stephen Howatt, Barrie Harris and Denis Thibodeau. We have benefited immeasurably from your advice and experience. I look forward to working with you to implement the *Rural Action Plan*.

Sincerely,



Honourable Neil J LeClair, Minister of Fisheries, Aquaculture and Rural Development

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Executive Summary

In the 2008 Speech from the Throne, entitled "One Island Community, One Island Future," the provincial government declared its intention to form a new department responsible for rural development and to produce a rural economic development strategy. Both the department and the strategy would be the first of their kind for Prince Edward Island.

Upon being elected, the provincial government immediately began to implement measures to assist rural Prince Edward Island. Subsequently, the Throne speech initiated the evolution of a more strategic, government-wide focus on rural issues. The government's first major priorities included: (1) developing a province-wide broadband system; (2) partnering in an industry-led process to articulate a new vision for the future of agriculture; (3) launching programs to address access to capital issues in the fishery; (4) mandating a review of land-use and local governance policy; (5) fully funding the municipal equalization program and (6) investing in, and stabilizing, rural health care.

Consultations

In the summer of 2008, the government began working on the rural economic development strategy by undertaking foundational research and, in turn, extensive Island-wide consultations, including regional consultations, workshops, and an on-line survey.

Over 1,200 Islanders participated in the consultations, which took place between February and October, 2009. In July, regional consultations were held in Mill River, Crapaud, and Montague. A French-language consultation was held in Wellington. Over 200 people, representing private interests, sector organizations and development groups, attended the four sessions. The participants emphasized the need to focus on:

- economic development
- environmental conservation
- sustaining and improving the quality of life
- securing local involvement in implementing the *Rural Action Plan*

The consultations revealed opinions that varied somewhat by region. In the rural west region, participants called for:

- progress regarding wind energy development
- funding support for rural tourism associations
- funding support for community museums

In the rural east region, participants were in favour of focusing on:

- greater support for community development corporations
- support for local development resources

The central area participants put a stronger focus on:

- initiatives that improve quality of life
- promotion of entrepreneurship and mentorship
- development of land-use policies
- strengthening local government

At the francophone session, participants:

- emphasized the need for opportunities to telework
- showcased the success of the Collège Acadie Î.-P.-É., including its distance education model, as an example of educational opportunities for rural Islanders.
- demonstrated the importance of their regional tourism association
- stressed the importance of co-operative enterprises

Seven sector workshops were held from Sept. 3 to Oct. 5, 2009. Over 200 people participated in the sector workshops, including industry organizations and representatives of First Nations and Acadian communities. The workshops identified many of the same issues as the consultations. Emphasis was put on:

- land-use planning and strengthening local governments
- programs to enable the primary sectors and tourism to grow more competitive
- strategic infrastructure investments that will enable the traditional rural sectors (primary industries and tourism) to grow
- establishing new sectors in rural regions

The government also conducted an on-line survey, and asked respondents to prioritize four ways the government could approach economic development. Respondents ranked them as follows:

1) help existing employers strengthen or grow their operations

2) help local entrepreneurs start up new enterprises

3) foster the development of 'new economy' sectors in rural Prince Edward Island

4) prospect for major new employers

All government departments were engaged to devise solutions for the rural economic development issues that were identified during the consultation phase. The product of this work – both the initial measures and new approaches – is presented herein as the government's *Rural Action Plan*.

Vision

The *Rural Action Plan* sets out a vision for:

A prosperous, vibrant and healthy rural Prince Edward Island, able to adapt to a changing world and to offer diverse opportunities and a high quality of life to all its citizens.

Goals and Actions

The *Rural Action Plan* establishes 7 broad goals and 40 corresponding actions:

Goal 1: To create a sound basis for rural businesses to grow, for new ones to be formed and for new sectors to emerge.

Action 1: Developing Rural Businesses

Action 2: Responding to Business Needs

Action 3: Increasing Participation in Island Prosperity Programs

Action 4: Championing Island-Wide Rural Broadband

Action 5: Creating the Rural Broadband Fund

Goal 2: To enable the growth of innovative, competitive and sustainable primary sectors, in order to ensure that they remain pillars of the rural economy and community for generations to come.

Action 6: Supporting Innovative Agriculture

Action 7: Increasing Competitiveness of Agriculture

Action 8: Supporting Viable Fisheries

Action 9: Seeking Innovation in Fisheries

Action 10: Enabling Sustainable Fisheries

Action 11: Creating a Future Fishers Program

Action 12: Investing in Sustainable Aquaculture

Action 13: Launching Biomass Heat Energy Pilot Projects

Action 14: Conducting Forest Resource Planning and Certification

Action 15: Expanding Wind Energy Capacity

Goal 3: To augment rural areas of Prince Edward Island as tourist destinations; to expand and grow products, such as festivals and events, that complement the primary sectors and strengthen local culture, while increasing visitations Island-wide.

Action 16: Expanding Tourism

Action 17: Supporting Regional Tourism Associations

Action 18: Creating a Province-Wide Cultural Festival

Action 19: Promoting the Culinary Alliance

Goal 4: To improve the balance between the growth and health of primary industries and rural communities with the need for environmental conservation.

Action 20: Protecting Groundwater

Action 21: Consulting on Land-use

Action 22: Amending the Lands Protection Act

Action 23: Supporting Conservation

Goal 5: To invest in community development efforts and capacity-building.

Action 24: Creating Community Economic Development Investment Funds

Action 25: Increasing Access to Development Funds

Action 26: Facilitating Access to Data and Statistics

Action 27: Enabling Information-Sharing

Action 28: Creating Local Population Strategies

Action 29: Investing in Rural Infrastructure

Action 30: Expanding the Role of Rural Municipalities in Development

Action 31: Investing in Rural Jobs

Goal 6: To invest in education and the development of human resources in order to create opportunities, strengthen the base of Island industries and to share – to the fullest extent possible – the benefits of the 'One Island Community' principle.

Action 32: Supporting Sustainable Health Services

Action 33: Modernizing Education

Action 34: Addressing Rural Concerns in the Provincial Child Care Strategy

Action 35: Creating Regional Human Resource Development Councils

Action 36: Supporting Community Groups and Recent Graduates

Action 37: Investing in Leadership Development

Action 38: Consulting Rural Youth

Action 39: Investing in Educational Opportunities in West Prince

Goal 7: To increase development investments in areas of greatest need in order to stimulate growth and opportunity.

Action 40: Employing Special Measures for Sub-regions

Transformative Action

The *Rural Action Plan* contains six sets of actions which, in particular, will have a most transformative effect on the future of rural Prince Edward Island:

(1) The development of three **Rural Action Centres** and two satellite Rural Action Centres will remove obstacles to the development and growth of indigenous business, and support community development and human resource development in the rural regions.

(2) The implementation of **Island-wide Rural Broadband** will enable rural Islanders to conduct business with customers or clients anywhere in the world, and will provide them with access to global markets for their products. This technology will dramatically reduce the barriers between rural living and economic opportunity.

(3) **Primary Industries** will be strengthened by investments in innovation, research and development, agro-environment measures and amendments to legislation in order to improve competitiveness in agriculture, reduce environmental impacts and provide benefits to the aquaculture and tourism industries. Measures to reduce inputs, such as energy costs, will enhance the Island's primary industries. The provincial government will support the goals set-out in *Growing the Island Way*, the report of the Commission on the Future of Agriculture and Agri-food on Prince Edward Island.

(4) The provision of increased resources for **community-based development** will provide the necessary resources – technical support, access to information and financial support – for effective bottom-up development in the rural regions.

(5) The provision of stable funding to **Regional Tourism Associations** will facilitate greater expansion of tourism in the rural regions, benefiting those areas and the Island's entire tourism industry.

(6) Investments and approaches will be identified that will result in expanded and diversified opportunities in the rural west and rural east regions, with a particular emphasis on three sub-regions of greatest need and emphasis. These efforts will ensure that the opportunities are spread across the Island's 'One Island Community.'

Implementation

These Actions require a shared implementation approach by six different government departments. Accordingly, the government is changing the way that it undertakes rural development. The change will include the creation of a new secretariat – Rural Development PEI – that will bring together resources from across the government to implement the *Rural Action Plan*. The government is also establishing a new policy approach, called integrated rural development.

The implementation of several important parts of the *Rural Action Plan* is underway, and efforts to initiate the rest of the actions will commence in April of 2010. Over its duration, April 2010-March 2015, the Plan will lay a solid foundation upon which future programs and initiatives of benefit to rural Prince Edward Island will be built.

Measuring Progress

The Plan includes sample indicators and measures of progress and accomplishments, which will be used to show how well individual elements of the Plan, as well as the overall program, are being achieved. A series of baseline indicators will be developed and reviewed annually.

The *Rural Action Plan* marks the start of a new focused approach to rural economic development for the Government of Prince Edward Island. In implementing the Plan, the government will embrace the interdependence and shared future of the Island's rural communities, building a stronger foundation for rural renewal and, ultimately, greater overall unity and shared prosperity for our proud, resilient, and ambitious Island Community.

Part 1
Prince Edward Island's Rural Economic and Social Context

1.0 Introduction

In the 2008 Speech from the Throne, entitled "One Island Community, One Island Future," the provincial government declared its intention to form a new department responsible for rural development, and to produce a rural economic development strategy. Both the department and the strategy would be the first of their kind for Prince Edward Island.

Upon being elected, the provincial government immediately began to implement measures to assist rural Prince Edward Island. In turn, the Throne Speech initiated the evolution of a more strategic, government-wide focus on rural issues. The government's first major priorities included: (1) developing a province-wide broadband system; (2) partnering in an industry-led process to articulate a new vision for the future of agriculture; (3) launching programs to address access to capital issues in the fishery; (4) mandating a review of land-use and local governance policies; (5) fully funding municipal equalization and (6) investing in, and stabilizing, rural health care.

In the summer of 2008, the government began working on the rural economic development strategy by undertaking foundational research, followed by extensive Island-wide consultations. Over 1,200 Islanders participated in the consultations, which began in February 2009 and were completed in mid-October. All government departments were engaged to devise solutions for the rural economic development issues that were identified during the consultation phase. The product of this work – both the initial measures and new approaches – is presented herein as the government's *Rural Action Plan*.

The *Rural Action Plan* includes 40 Actions — some of which have already been announced and funded and are being given an increased strategic focus, and many new Actions that address gaps in government policy. These Actions require a shared implementation approach by six different government departments. Accordingly, the government is changing the way that it conducts rural development. The change will include the creation of a new secretariat – Rural Development PEI – that will bring together resources from across the government to implement the *Rural Action Plan*. The government is also establishing a new policy approach, called integrated rural development.

Since before Confederation, the people and governments of Prince Edward Island have made extensive efforts to improve the fortunes of the Island's rural communities. This legacy of community leadership, marked by over a century of adaptation and progress, is perhaps best embodied in the Co-op Movement and the Comprehensive Development Plan. These initiatives sought to improve the standard of living and quality of life for rural residents. However, for much of the post-World War II period, rural Prince Edward Island experienced slow economic growth.

In recent decades, new trends have emerged that are greatly impacting rural areas. The urban areas, for example, exert an increasingly greater influence on the overall Island economy. In the past 20 years, Charlottetown and Summerside have grown as service and employment centres. As more people come to work in

the cities, but live in nearby rural areas, the lines between rural and urban regions have become blurred; economies that have traditionally been mutually dependent, but disparate, are becoming increasingly integrated.

Rural areas stand to benefit from this trend. The advent of new technologies — such as broadband — is making it increasingly feasible for knowledge economy workers, entrepreneurs and other business people to live and work in rural areas. This flexibility allows them to pursue a better quality of life, to take advantage of local services, and to contribute to the strengthening of local culture. Similarly, emerging trends among consumers and tourists are signalling the tremendous potential of knowledge-based rural attractions. For example, authentic, high quality artisanal food and craft products are increasingly popular. These trends show clear promise for rural Prince Edward Island. The *Rural Action Plan* is focused on translating this promise into opportunity.

However, not all parts of Prince Edward Island have shared equally in recent growth and opportunities. Many rural areas continue to grapple with high unemployment, low wages, and a less educated population. The out-migration of the population, particularly young people, remains a persistent concern. Investments are needed to strengthen the economies in the west and east in order to fully realize the vision, enunciated in the 2008 Throne Speech, of a "One Island Community, One Island Future."

The Rural Action Plan sets out a vision for:
A prosperous, vibrant and healthy rural Prince Edward Island, able to adapt to a changing world and to offer diverse opportunities and a high quality of life to all its citizens.

The *Rural Action Plan* establishes seven broad goals:

Goal 1: To create a sound basis for rural businesses to grow, for new ones to be formed and for new sectors to emerge.

Goal 2: To enable the growth of innovative, competitive and sustainable primary sectors, in order to ensure that they remain pillars of the rural economy and community for generations to come.

Goal 3: To augment rural areas of Prince Edward Island as tourist destinations; to expand and grow products, such as festivals and events, that complement the primary sectors and strengthen local culture, while increasing visitations Island-wide.

Goal 4: To improve the balance between the growth and health of primary industries and rural communities with the need for environmental conservation.

Goal 5: To invest in community development efforts and to strengthen community-based capacities.

Goal 6: To invest in education and the development of human resources in order to create opportunities, strengthen the base of Island industries and to share – to the fullest extent possible – the benefits the 'One Island Community' principle.

Goal 7: To increase development investments in areas of greatest need in order to stimulate growth and opportunity.

The Plan includes six sets of actions which, in particular, will have a transformative effect on the future of rural Prince Edward Island:

(1) The development of three Rural Action Centres will remove obstacles to the development and growth of indigenous business, and support community development and human resource development in the rural regions.

(2) The implementation of Island-wide rural broadband will enable rural Islanders to conduct business with customers or clients anywhere in the world, and will provide them with access to global markets for their products. This technology will dramatically reduce the barriers between rural living and economic opportunity.

(3) Primary industries will be strengthened by investments in innovation, research and development, agro-environment measures and amendments to legislation in order to improve competitiveness in agriculture, reduce environmental impacts and provide benefits to the aquaculture and tourism industries. Measures to reduce inputs, such as energy costs, will enhance the Island's primary industries.

(4) The provision of increased resources for community-based development will provide the necessary resources for effective bottom-up development in the rural regions.

(5) The provision of stable funding to Regional Tourism Associations will facilitate a greater expansion of tourism within the Island's rural regions, benefiting these regions, and the Island's entire tourism industry.

(6) The identification of investments and approaches will result in expanded and diversified opportunities in the rural west and rural east regions, with a particular emphasis on three sub-regions of greatest need and emphasis.

Rural communities in Prince Edward Island continue to adapt and modernize in order to survive, grow and renew. The *Rural Action Plan* will remove obstacles that slow this progress. The Plan will provide the resources – technical support, information and investments – required to support growth and to identify and realize the opportunities that rural communities need to achieve their goals. Ultimately, the *Rural Action Plan* will translate the collective vision of over 1,200 Islanders into a coherent plan that begins the next chapter of renewal on the Island.

The government's approach to rural development will undergo considerable refinement and a rural focus will be a consistent element in all government policy development.

1.1 Summary of the Planning Process

The Government of Prince Edward Island began working toward the release of the *Rural Action Plan* on April 4, 2008, when, as an element of the Speech from the Throne, it announced its intention to form the new Department of Fisheries, Aquaculture and Rural Development. In order to advance rural economic development, the department was directed to create a new rural economic development strategy.

During the summer of 2008, the Standing Committee on Community Affairs and Economic Development held hearings across Prince Edward Island. The *Rural Action Plan* incorporates the majority of the recommendations of the Standing Committee.

The timeline set for the development of the *Rural Action Plan* reflected the need to hold broad, province-wide consultations, and to allow the Commission on the Future of Agriculture and Agri-Food on Prince Edward Island and the Commission on the Land and Local Governance to complete their public processes and present their findings.

Ministerial consultations took place in the winter of 2009, consisting of in-person meetings between the Minister and rural business people. In the spring, at the Provincial Conference on Rural Development, the government released a discussion paper called Renewing Rural Prince Edward Island. It provided an overview of the history of development efforts in rural Prince Edward Island and a description of current initiatives underway to stimulate rural economic development. The discussion paper served as the technical foundation of the *Rural Action Plan*.

In the spring of 2009, the government undertook measures to ensure that the views of Prince Edward Island residents would be reflected in the *Rural Action Plan*. These measures included an online survey, regional consultations, and sectoral workshops. The results of these deliberations are contained in Section 3.0 of the Plan.

The regional consultations, conducted in July of 2009, were attended by over 200 people representing sector organizations and development groups. The participants emphasized the need to focus on economic development, environmental conservation, quality of life, and the need for local involvement in implementing the Plan. The sector workshops were held in the fall of 2009 and were attended by representatives of industry organizations, First Nations, and Acadian communities. Participants emphasized land-use planning and strengthening local governments, programs to make tourism and the primary sectors more competitive, infrastructure, and establishing new sectors. The on-line survey, which was completed by over 600 people, was intended to capture the development priorities of Islanders. A full 75% of respondents said that rural development should take a regional approach, and 89% felt that additional support should go to the rural regions facing the greatest challenges.

2.0 Rural Prince Edward Island in the 21st Century

This section provides:

- a brief history of development efforts in rural Prince Edward Island
- the economic state of rural communities today
- a vision of the future of these communities

The economy of rural Prince Edward Island has undergone many changes over the past two decades. For instance, the economies of the cities of Charlottetown and Summerside have grown in influence, resulting in non-traditional occupations becoming important sources of employment for many rural residents. Communities within a reasonable commuting radius of the cities have more stable populations, higher average incomes, and lower dependency ratios.

The traditional rural industries – agriculture, the marine fishery, aquaculture, forestry and tourism – continue to be important contributors to the rural and provincial economies. Rural industries have maintained their relatively stable contributions to the Island's Gross Domestic Product. Yet they have declined percentage-wise as contributors to the economy. These sectors are also experiencing a decline in the number of jobs that they provide, due to technological advancements, lower margins for producers due to rising costs of production, and stagnant prices for products. Communities outside the commuting radius or sphere of "metropolitan influence" of the main urban centres have not benefited as much from the growth of the provincial economy. This disparity highlighted the need to target these rural regions in the *Rural Action Plan*.

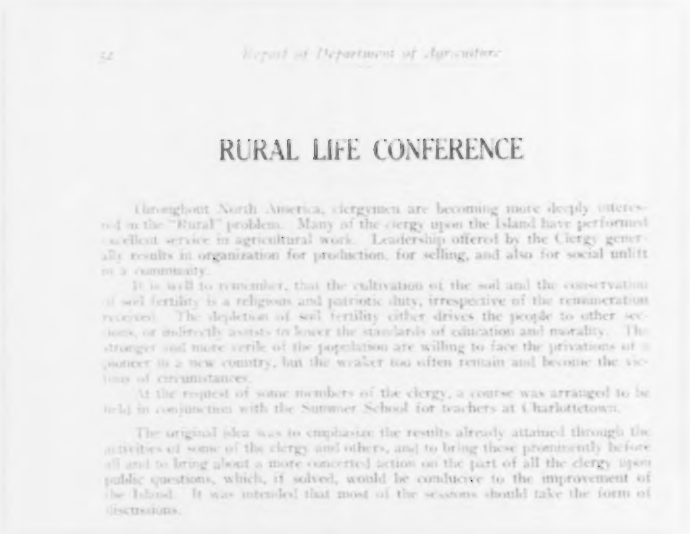
Improved transportation and communications infrastructure is creating new opportunities for rural communities across Prince Edward Island. In order to take advantage of these opportunities, rural areas require the resources – technical support, information and financing – that can translate opportunity into sustainable growth and development. The *Rural Action Plan* envisions a vibrant, prosperous future for the Island's rural communities. But clear intentions and strong leadership will be required to achieve this goal.

2.1 Rural Economic Development on Prince Edward Island – A Historical Perspective

Prince Edward Island's modern identity has firm roots in its rural nature. To this day, its economy enjoys significant contributions from primary sectors: agriculture, the marine fishery, aquaculture and forestry. But although rural Islanders still represent a majority of Prince Edward Island residents, the balance of rural and urban residents – and the nature of rural life – has changed dramatically. In the early 20th century, more than 85% of the population lived outside the larger urban areas. Today, rural residents constitute just 55% of the population, while a great many residents of the rural regions are strongly connected, through employment and services, to Charlottetown and Summerside.

Since before joining Confederation, Prince Edward Island made many efforts to sustain and strengthen its rural communities. These communities have traditionally pursued a semi-subsistence lifestyle based on farming, fishing, and local manufacturing. The Farmer's Bank

of Rustico, the first community-owned bank in Canada, was founded in 1864. As early as 1916, a provincial conference was held to determine strategies to address rural decline. In 1923, the Tignish Fishermen's Cooperative was founded, followed by the wave of Cooperative development beginning in the 1930s.



52 *Report of Department of Agriculture*

RURAL LIFE CONFERENCE

Throughout North America, clergymen are becoming more deeply interested in the "Rural" problem. Many of the clergy upon the Island have performed excellent service in agricultural work. Leadership offered by the Clergy generally results in organization for production, for selling, and also for social unlift to a community.

It is well to remember, that the cultivation of the soil and the conservation of soil fertility is a religious and patriotic duty, irrespective of the remuneration received. The depletion of soil fertility either drives the people to other sections, or indirectly assists to lower the standards of education and morality. The stronger and more virile of the population are willing to face the privations of a pioneer in a new country, but the weaker too often remain and become the victims of circumstances.

At the request of some members of the clergy, a course was arranged to be held in conjunction with the Summer School for teachers at Charlottetown.

The original idea was to emphasize the results already attained through the activities of some of the clergy and others, and to bring these prominently before all and to bring about a more concerted action on the part of all the clergy upon public questions, which, if solved, would be conducive to the improvement of the Island. It was intended that most of the sessions should take the form of discussions.

Founded on principles such as the importance of education, self-reliance and community leadership, the legacy of the Co-op Movement continues to have a profound effect on the fabric of rural Prince Edward Island. The Co-op Movement was not motivated by nostalgia and sentimentality; its leaders sought to improve the status quo. A key ethic of the Co-op Movement is that change must be embraced to improve the standard of living and quality of life of community members, while ensuring that community-based decision-making remains strong.

In the 1950s and 1960s, much of Canada was undergoing a great economic growth period. But Prince Edward Island remained dependent on small-scale farming and fishing, and growth was slow. The number of farms declined and their size increased, forcing many rural Islanders to leave their rural communities, or indeed the province altogether, to pursue viable opportunities. In fact, since the 1870s, out-migration has been a consistent feature of the Island's economic reality.

Prince Edward Island Adieu

The Father's boy, his only joy,
Must bid a sad farewell;
They're parting here, no more to meet
On earth, for who can tell.
Far from the Isle, in prairies wild,
In countries now that's new,
Content they stay, and bless the day
They bid this Isle adieu.

Our daughters fair, in deep despair,
Must leave their native land;
To foreign shores they're swiftly borne,
As I do understand.
The tide it flows, they all must go
There's nothingelse to do;
While parents grieve as they must leave
And bid this Isle adieu.

Through want and care and scanty fare,
The poor man drags along;
He hears a whistle loud and shrill,
The "Iron Horse" speeds on;
He throws his pack upon his back,
There's nothing left to do;
He boards the rain for Bangor, Maine,
Prince EdwardIsle adieu.

PEI Folksong,James H. Fitzgerald circa 1873-78

In 1969, the provincial government introduced the Comprehensive Development Plan. "The Plan" focused broadly on modernizing the provincial economy and government services. The Plan included a focus on the rural economy, in hopes of boosting the stagnant agricultural and fisheries sectors, diversifying the economy, and taking advantage of emerging opportunities in tourism. In recent decades, provincial governments have continued to re-affirm their commitment to rural Prince Edward Island through numerous initiatives. Investments have been made in agriculture and forestry, fisheries and aquaculture, and processing industries, along with the construction and maintenance of roads, schools, hospitals and community facilities.

Successive governments have worked to promote new businesses in rural areas, encourage the growth and spread of tourism, and maintain and strengthen public services and facilities. In fact, in the past 40 years, Prince Edward Island has pursued a range of economic development strategies. Rural communities have clearly benefited from many of these government initiatives. However – with the exception of the Comprehensive Development Plan – they lacked a cohesive approach that ensured balanced growth throughout the province.

2.2 Rural Prince Edward Island Today

On Prince Edward Island, distinct economic disparities exist between rural and urban areas. Today, the urban areas have more people and a higher percentage of people with a high school or even a university education. The urban areas have higher employment, more public and private sector service jobs, and a higher percentage of workers earning more than the average provincial income. This trend is partly due to out-migration from rural areas, particularly young people. It is also due to the nature of employment in many rural areas. For example, public sector jobs account for only 20% of employment in rural areas, but 33% of jobs in urban areas. In contrast, goods-producing jobs account for 45% in rural areas, but just 18% of in urban areas. The rural west region faces even greater challenges than the rural east region, especially in the most remote areas. The education, employment, and income levels of the rural centre region, on the other hand, are more similar to Charlottetown and, in many instances, superior to those of Summerside. The rural centre, however, does have need for services and amenities that are characteristic of all rural regions.

Defining Rural Prince Edward Island

Defining what is meant today by 'rural' is integral to implementing a successful *Rural Action Plan*. Historically, urban and rural communities were more distinct and self-contained. "Rural" meant all areas of Prince Edward Island that lay outside the boundaries of cities or large towns. These areas were generally characterized by a lower population density and an economy based on primary industries.

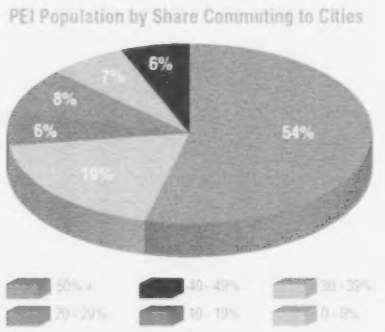
Today, cities extend out into the countryside, rural dwellers commute to work in town, and farmers make up an ever-shrinking percentage of the population. The rural-urban distinctions have become blurred; formal definitions of 'rural' have shifted from consisting of a simple population density to an assessment that accounts for the degree of integration between 'rural' areas and their adjacent urban centres.

Statistics Canada now categorizes small to medium-sized urbanized areas such as those found in Prince Edward Island as 'Census Agglomerations,' or CAs. These CAs consist of an urban core of at least 10,000 people, and a sur-

rounding area in which at least half the population works in the urban core. Prince Edward Island has two CAs – a large CA in and around Charlottetown totalling almost 60,000 people, and a much smaller CA in and around Summerside of about 16,000 people. These urban areas have many advantages, including their central location, their concentration of amenities and services, and their higher proportion of public sector employment. A stronger, more vibrant rural Prince Edward Island is essential to the future of both centres (especially Summerside, given its important role as a service centre for all Prince County).

The areas outside the urban CA zones are classified by Statistics Canada as 'Rural and Small Town.' These areas are further divided into zones of urban influence, based on the percentage of the population commuting to work in urban centres. Since people tend to shop and enjoy leisure activities in the centres where they work, commuting has been shown to be a very effective indicator of the overall extent of urban integration. These definitions are considered the most useful by Statistics Canada for issues such as economic development, labour market analysis, and the design of catchment areas for public services.

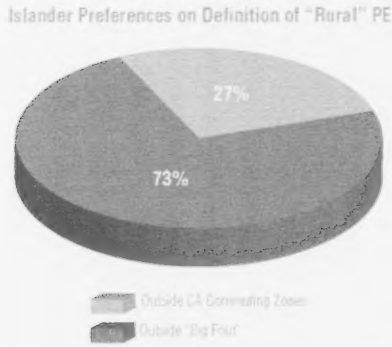
Over half of Prince Edward Island's population, 54%, lives in the areas surrounding Charlottetown and Summerside, and works in one of these two cities. Another 13% lives in areas where 30-50% of the labour force works in the cities, and 14% lives in areas where 10-29% of the labour force works in the cities. Only 19% of Islanders live in areas where less than one-tenth of the labour force works in Charlottetown or Summerside. These categories are different from those used by Statistics Canada, which defines an area where less than 5% of the population commutes as having a "weak metropolitan influence" and those with 5-29% commuting as having a "moderate metropolitan influence." But given the small size of Prince Edward Island, very little of the province falls into the under 5% category, and hence the categories used herein more accurately define the patterns.



To be administered effectively, the *Rural Action Plan* is based on geographic zones which allow for the informed use of data and evidence from Statistics Canada and other sources. But those zones must also make sense in terms of the historical, administrative, political, and social realities of Prince Edward Island. The best approach is one that recognizes that the economic circumstances and prospects of Prince Edward Island's regions vary significantly and require different measures.

During the consultation phase, three rural zones were proposed for analysis and discussion: the area west of the Summerside CA (Rural West), the area between the Summerside and Charlottetown CAs (Rural Centre), and the area east of the Charlottetown CA (Rural East).

However, based on results from the on-line survey and feedback during public consultations, Islanders strongly preferred to define 'rural' as the areas outside of the four largest municipalities or 'Big Four': Charlottetown, Stratford, Cornwall and Summerside.

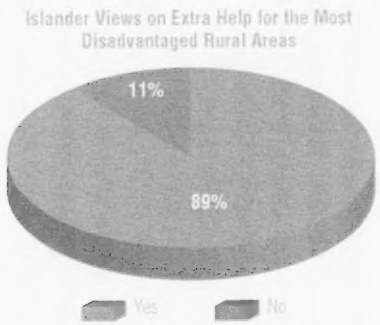


Based on feedback from Islanders, the *Rural Action Plan* has modified the three rural zones to include all areas outside of the borders of the four largest municipalities. This expands the boundaries of the rural west region slightly to include Miscouche, Linkletter, and Lot 17, adding 1,650 people. The boundaries of the rural centre and rural east regions expand more significantly to incorporate all areas within the Charlottetown CA except for Cornwall, Charlottetown and Stratford. The boundary between the rural east and the rural centre regions runs northeast from Charlottetown along the Hillsborough River, and then north along the western boundary line of lot 35 (i.e., approximately at Frenchfort and north on the No. 6 highway). These changes add 5,335 people to the rural east and 10,395 people to the rural centre.

The *Rural Action Plan* will be based on these new boundaries. In the analysis below, however, these commuting zones are shown as a fifth separate area. This is done to more clearly identify outcomes and trends, as the addition of the very high-performing commuting zones to the rural areas tends to net out and thus to mask the significant differences and disparities between the province's least and most rural areas.

Outcomes and trends also indicate three "sub-regions" that have the greatest need for emphasis in the *Rural Action Plan*: West Prince, Eastern Kings and South-eastern PEI. Special measures will be developed to address the more acute needs of these sub-regions.

Islanders also overwhelmingly felt that the *Rural Action Plan* should put a strong emphasis on the areas of greatest need, with almost 500 respondents or 89% supporting this approach, compared to only 61 or 11% opposed.



Key Indicators

Overview

National research by the Rural Secretariat (a division of Agriculture and Agri-food Canada) suggests that significant gaps and disparities exist between Canada's most remote rural areas and the rural areas closer to urban areas. In many ways, these gaps widened between 1991 and 2001. Census data from 2006 indicate that these national patterns and trends largely hold for Prince Edward Island as well. On all indicators, the rural west region fares the worst and the rural east region is similar to, but somewhat more advantaged, than the rural west. On many indicators, the rural centre region is less like the rural west and rural east regions and more like the urban areas.

Population Distribution and Trends

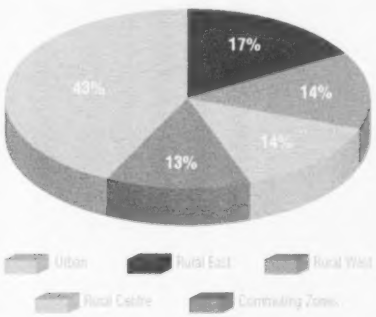
From 1991 to 2006, Prince Edward Island's rural west and rural east regions each lost 3% of their population. The cities and major towns – Charlottetown, Cornwall, Stratford, and Summerside – grew by seven percent. This growth was most rapid in the rural centre, up 8%, and especially in the commuting zones surrounding the cities, which are now being considered as part of the rural areas. These grew by 16%.

Notably, the Tignish region lost 7.5% of its population during this time and the O'Leary region lost 6.4%, clearly showing that these areas are in greater need of development assistance.

Patterns of population growth and decline over this period are shown in the map below.

As a result, central and urban Prince Edward Island's share of population is slowly but steadily growing while the share in the rural west and rural east regions is shrinking. Compared to 1991, the urban areas' share of population increased from 42% to 43%, and the rural centre and commuting zones grew from 25% to 27% of the population. The rural west and east declined from a combined total of almost 33% to just over 30%.

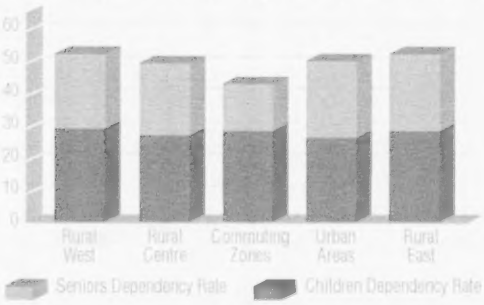
PEI Population Shares by Region, 2006



Age Structure of the Population

The dependency ratio is a measure commonly used to express the proportion of children and seniors to working age population (age 15 to 65). The ratio indicates the number of children or seniors for every 100 people of working age. Dependency ratios for 2006 indicate that the rural areas had a higher proportion of children while the urban areas had a higher proportion of seniors. The combined dependency rate ranged from a high of 51% in the rural east and west to lows of 46% in the urban areas and 42% in the commuting zones. This very low level in the commuting zones was due to a much lower than average number of seniors.

Children and Seniors Dependency Rates, 2006

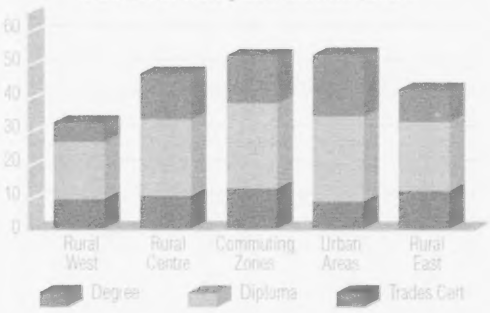


Education and Skills

The educational attainment levels of a population reflect the availability and affordability of post-secondary education, the skill demands of the local labour market, and the resulting patterns of in- and out-migration. The impact of those factors can be seen in the very different levels of educational attainment across Prince Edward Island.

In 2006, less than 33% of the population aged 15 and over in the rural west region held post-secondary credentials, compared to 53% of the population in the commuting zone and urban areas. The urban share of the population with a university degree,19%, was more than triple that of the rural west and almost double that of the rural east region. The commuting zones and urban areas both had a similar share of population, 26%, with diplomas, but the commuting zones had a higher share of residents with trades credentials and a lower share of residents with university degrees.

Shares of Population with Post-Secondary Credentials,2006



This pattern is due in part to the lack of demand for advanced credentials in the rural labour market, and in part to the more limited access by rural residents to a range of post-secondary learning opportunities. In all areas of Prince Edward Island, however, the skill demands of the labour market have been rising steadily for many years. Fewer and fewer jobs exist for people without a high school diploma. While the skill levels of the population have risen steadily, a substantial share of Prince Edward Island's adult population continues to hold less than a high school diploma. These Islanders face an increasingly uncertain future. Meanwhile, employers may experience difficulty finding the skilled workers they need to compete and to expand their businesses.

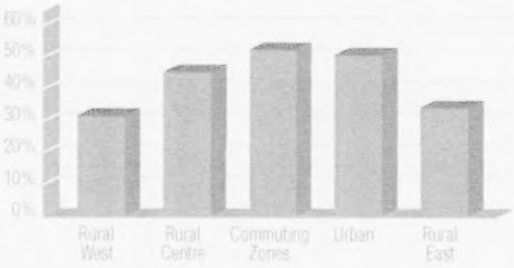
Between 1996 and 2006, the share of the population of prime working age without a high school degree dropped considerably throughout Prince Edward Island, which shows significant improvement in education levels. However, in 2006 it remained higher in the rural west and rural east regions than the rural centre and urban areas.

Share of Population Without High School Diploma

Labour Market Activity

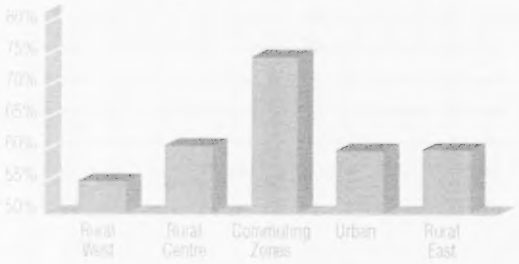
Economic and employment conditions vary significantly across Prince Edward Island. For example, the dominant industries in rural areas are more seasonal than those in the urban areas. The regional differences in the share of the employed population aged 15 and over with full-time, full-year employment range from a low of 31% in the rural west to a high of 51% in the urban areas.

Share of Employed Population with Full-Time Full-Year Employment, 2006



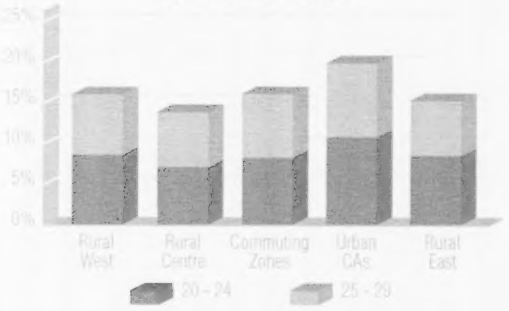
The employment rate, or share of the population aged 15 and over that is employed, is a useful broad measure of labour market activity. It captures both the labour market supply side, via the participation rate, and labour market demand side, vis-à-vis the number of jobs. The employment rate is significantly lower in the rural west, at 55%, than in other parts of the province. This reflects a lower share of population aged 15-64, a lower participation rate, more seasonality, and higher unemployment. At the other extreme is the striking 75% employment rate for the commuting zones, a level that reflects their relatively small population of seniors, their very high labour force participation, and their high level of full-time, full-year employment.

Employment Rates, 2006



The out-migration of youth is an issue of long-standing concern to rural areas. Substantial rural-urban differences exist in the age structure of the working age population. The rural areas have a lower proportion of residents aged 20-29 than the urban CAs. This group accounts for 14% of the working age population (15-64) in the rural centre, 15% in the rural east, 16% in the rural west and the commuting zones, and 20% in the urban areas.

20 - 29 Age groups as Share of Working Age Population, 2006



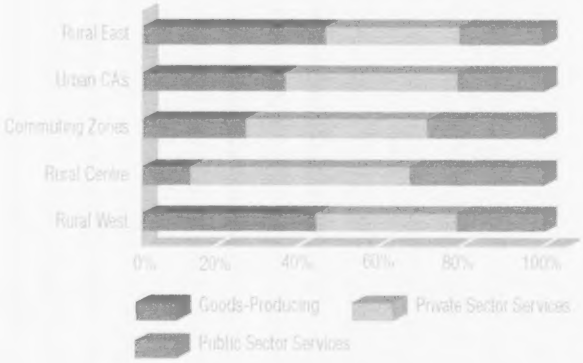
Industry Sectors

Significant rural-urban and regional differences exist in the distribution of industry sectors across the Island. These sectors can be divided into three categories:

- Goods-producing: agriculture, fisheries and aquaculture, forestry, construction, utilities, manufacturing and processing.
- Private sector service industries: trade, transportation, food and accommodation, finance, insurance and real estate, information, arts and recreation, scientific services and personal services.
- Primary public sector services: health, education, and public administration.

Goods-producing industries account for about 45% of all employment in the rural west and rural east regions, and 36% in the rural centre, compared to 12% in the urban areas. Private sector service industries account for one-third of jobs in the rural west and rural east regions, compared to over half in the urban areas. The rural centre and commuting zones fall midway between these extremes. The public sector accounts for one job out of five in the rural areas, over one out of four in the commuting zones, and one out of three in the urban areas.

Employment Distribution by Industry Sector, 2006



Changes within our Primary Industries

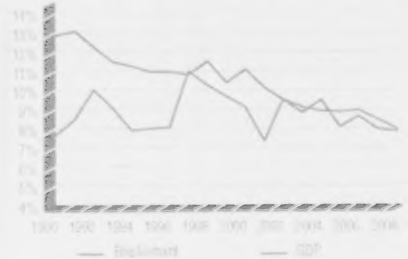
Some notable changes have occurred within Prince Edward Island's primary industries between 1991 and 2006. During this period, the Prince Edward Island economy gained 7,050 jobs, but saw a net loss of 1,180 jobs from the primary sectors, dropping its share of the labour force from 15% to 12%. The percent-

age of the labour force in the primary sectors increased in a few areas, but declined in most parts of the province, as indicated in the map.

At the same time, since 1990, the percentage contribution of primary industries to the provincial economy has remained fairly consistent.

These data present the essence of the key challenge related to rural development and the primary sectors, which was accurately reflected in the priorities of Islanders during the online survey. The primary sectors remain a significant contributor to the provincial economy; however, the number of jobs provided by the primary sectors is declining. Therefore, in order to sustain the rural economy, the primary sectors must be maintained and expanded so that they continue to generate wealth. In order to stimulate employment growth, however, diversification of the rural economy must occur. This will sustain rural services and the population base, in turn strengthening rural communities in general.

Change in Employment and GDP in Primary Sectors (1990-2008)



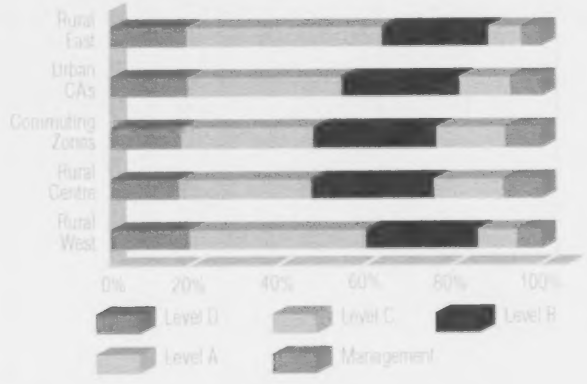
Occupational Distribution

The distribution of occupations varies substantially across Prince Edward Island with regard to skill level and skill type, as categorized under the National Occupational Classification (NOC) system.

There are five skill levels: management, which varies in their formal educational requirements; Level A professional jobs usually requiring a degree; Level B technical jobs usually requiring a college diploma or trades certificate; Level C jobs usually requiring a high school diploma and/or some formal training; and Level D jobs not requiring credentials and not providing on the job training.

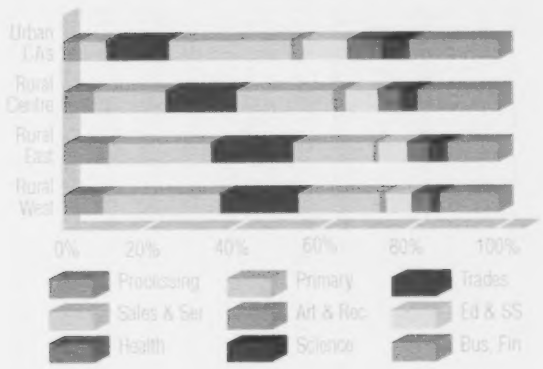
The share of occupations in the management and professional skill types ranges from a low of 13% in the rural west region to a high of 25% in the urban areas. Level C and D occupations requiring only a high school diploma or less, meanwhile, range from a high of 58% in the rural west to a low of 47% and urban areas. The rural east and rural centre fall between these extremes. Generally, the share of Level B (college diploma) jobs is fairly consistent across Prince Edward Island.

Distribution of Occupations by Skill Level, 2006

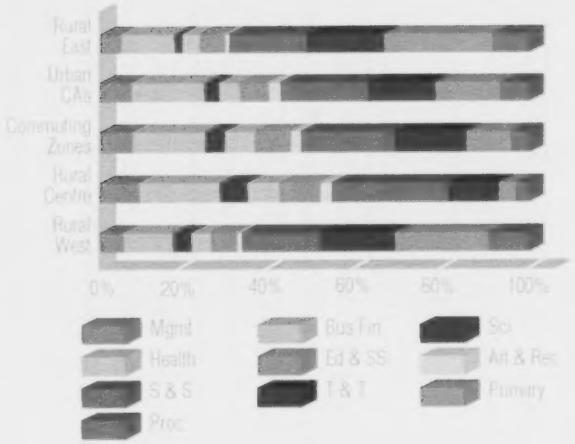


The NOC system identifies nine categories of skill types, with management as a separate tenth category. The distribution of these skills varies widely across Prince Edward Island's regions. The primary and processing skill types dominate the rural west and rural east regions, accounting for almost one-third of occupations in these regions. By contrast, these categories account for 15% of occupations in the commuting zones, and 7% in the urban areas. The level of trades and transport occupations is fairly similar throughout the rural regions and lower in the urban areas. Sales and service occupations play a larger role in the rural centre and the urban areas than in the rural west and rural east regions. The remaining occupations, with a high proportion of professional and technical jobs, make up 47% of all occupations in the commuting zones and 54% in the urban areas, compared to 30% in the rural west and 33% in the rural east regions. The rural centre is midway between these extremes at 42%.

Occupational Skill Types by Region, 2006



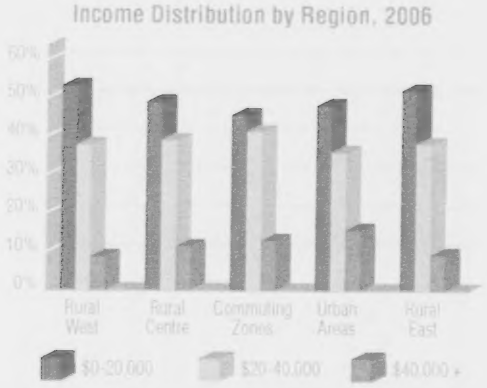
Distribution of Occupations by Skill Type, 2006

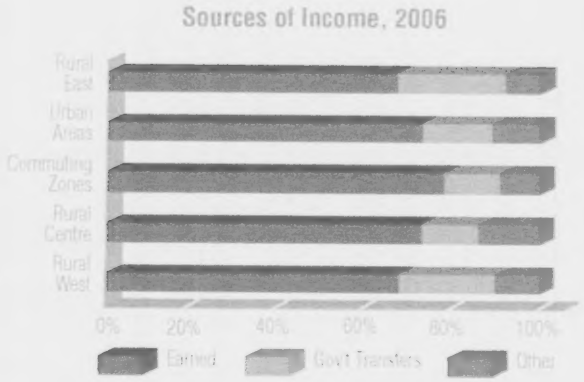


Income

Income is a significant measure of the level and nature of opportunities available to rural Islanders. Province-wide, average income in PEI was $20,205 in 2006. Average incomes were relatively similar across Prince Edward Island, ranging from a low of just over $19,000 in the rural west and rural east regions to a high of just over $22,000 in the commuting zones.

However, this average masks differences in the distribution of income across the population. A higher share of the rural population has incomes below the provincial average, ranging from a high of 53% in the rural west to a low of 46% in the commuting zones. The share of population with incomes in the $20,000-$40,000 range is lowest in the urban areas at 36%, somewhat higher in the three rural zones at 38-39%, and highest in the commuting zones at 41%. The share of the population with incomes over $40,000 (or more than double the provincial average) is much higher in the urban areas, at 16%, than in the rural west and east, at 9%. The rural centre and commuting zones fall between these extremes at 12% and 13% respectively.





Government income transfers (Employment Insurance, Canada Pension Plan, OAS/GIS, child tax benefit, social assistance) play a vital role in equalizing incomes across Prince Edward Island's regions. Government transfers accounted for a high of 25% of total income in the rural west and 22% in the rural east region, to a low of 13% in the urban areas.

In the rural west and rural east regions, earned income (wages and salaries, net farm income, and self-employment income) accounts for 67-68% of total income, compared to 73% of income in the rural centre and the urban areas, and a high of 78% of income in the commuting zones. Conversely, government transfer income such as employment insurance, child benefits, and pensions ranges from a low of 13% in the commuting zones and urban areas to highs of 23% in the rural east and 25% in the rural west. The most remote rural areas also have a much lower level of 'other' income than the rural centre and the urban areas, ranging from a low of 8% in the rural west to a high of 14% in the urban areas. The 'other' category can be seen as an indicator of wealth and assets, and includes dividends, interest, other investment income, and retirement pensions.

Areas of Greatest Need and Emphasis

While the Island has been delineated according to three rural regions for the purpose of administering the *Rural Action Plan*, the statistical overview presented herein demonstrates that three regions of the province require a higher emphasis in the implementation of the Plan — in particular, these three sub-regions have experienced the largest declines in population: West Prince (plus the municipalities of Wellington, Abram's Village and Tyne Valley), Eastern Kings (plus the municipalities of Morell, St. Peter's and Georgetown), and Southeastern PEI.

In particular, these three regions require added emphasis on economic diversification. These regions need the development of new sectors, the growth of entrepreneurship, and more public sector employment opportunities. Moreover, efforts are needed to expand the capacity of the larger municipal centres within these regions to act as service and employment centres.

Overall, these indicators show that significant differences exist between Prince Edward Island's rural and urban areas. Such differences are almost as large between the rural west and rural east regions and the rural centre area. In particular, the population gap is widening: the rural west and rural east are losing population while the rural centre and urban areas grow. In another key area, education, all regions are making gains. However, in some areas, such as reducing the share of population without high school, the rural west and rural east are not progressing as quickly as the urban areas and the urban centre, and hence the gap in this area is also widening. The *Rural Action Plan* is intended to address the trends that this analysis has highlighted.

2.3 Rural Prince Edward Island Tomorrow

Changing Trends

Signs are emerging of a rural Prince Edward Island that is undergoing dramatic transformations. Over the next five years, the government will invest $500 million to expand, upgrade, and modernize public infrastructure across the province, providing the high quality services and access to opportunities that communities need to grow and rural Islanders need to improve their quality of life. All Islanders will experience the benefits of an improved transportation system, modernized public facilities (such as schools, hospitals and manors), as well as investments in everything from housing to heritage sites.

These essential infrastructure measures will benefit both new enterprises as well as the traditional sectors, since modernization brings about benefits for rural economic development throughout all industries. Many infrastructure improvements are underway – through investments in people, innovation, and economic infrastructure – that will have a particularly significant effect in boosting the fortunes of primary sectors and the diversification of the rural economy.

Six sets of actions within the *Rural Action Plan* will have a transformative effect on the future of rural Prince Edward Island (see Section 1.0). These include: developing three Rural Action Centres; implementing Island-wide rural broadband; strengthening primary industries through investments in innovation, research and development; increasing resources for community-based development; providing stable funding for Regional Tourism Associations; and identifying investments and approaches to expand and diversify opportunities in the rural west and rural east regions.

Vibrant Rural Communities

Given that many people prefer a rural lifestyle, rural communities that offer comparable levels of connectivity and educational services will soon be able to compete with urban centres for residents with high-quality talent and expertise, especially those communities with a vibrant local culture and identity. If rural communities can attract, and retain, even a small percentage of people seeking to raise their families in a rural environment – whether they earn their living in the community or an urban centre – these citizens could provide rural Prince Edward Island with the economic foundation it needs to maintain its way of life and achieve a higher quality of life. Meanwhile, rural industries that remain competitive, while applying environmental best practices, will enhance the vibrancy and appeal of rural communities.

The *Rural Action Plan* contains 40 actions which, in combination, are targeted to improve the economic potential of rural communities across the Island. These action items will ideal-

ly lead to the development of vibrant rural communities that support active and successful business development, develop and enhance opportunities for cultural expression, nurture local culture and heritage, and possess sound community infrastructure. In these communities, residents will make a worthy living from primary industries or the service or public sectors, have access to high quality educational institutions, enjoy rich cultural and social amenities and ready access to nature, and have a welcoming attitude toward newcomers.

The current residents and newcomers attracted to these communities will most often be those who have the entrepreneurial skills and knowledge needed to create their own employment regardless of where they live. The infrastructure will exist to make it desirable for professionals and local artisans to reside in a rural community. "Telecommuting" will be possible thanks to measures such as broadband. Indeed, the broadband system will open a world of opportunity for rural Prince Edward Island, not only for those in the service sector but goods-producing specialists as well. For example, the export of natural products will be made possible by an internet-based platform that allows artisans – including craftspeople, artists and food producers – to market and sell their products online year around.

These communities will need access to a world-class education system, one that allows both existing residents and newcomers to live in a rural environment without making sacrifices in their children's education and extra-curricular opportunities. The Collège Acadie Î.-P.-É. has already demonstrated the significant potential of broadband through its distance education program; education can be both delivered and received within rural areas. Such a community will attract and retain residents and thereby foster a diverse rural area where residents can enjoy the local culture and the environmental advantages that contribute to a high quality of life.

To make these vibrant rural communities possible, the Secretariat, Rural Development PEI, will connect these communities to resources throughout government. These resources will help communities create effective plans for development and growth. The Rural Action Centres will play a significant role in ensuring rural residents can obtain the information and access to resources they require to take advantage of new opportunities. The *Rural Action Plan* sets out numerous measures by which the provincial government will co-operate with local industries, groups, and associations to make creative rural communities an accomplished and enviable feature of life on Prince Edward Island.

3.0 Consultations, Workshops, and On-line Survey

This section provides:

- results of consultations and workshops held in the summer and fall of 2009 in preparation for producing the *Rural Action Plan*
- specific observations of participants during the consultations for consideration in the *Rural Action Plan*
- the results of an on-line survey of over 600 people to capture a sense of the rural development priorities of Islanders

3.1 Regional Consultations

In July of 2009, the provincial government held regional consultations in rural parts of all three counties, Mill River, Crapaud and Montague. A French-language consultation was held in Wellington. Over 200 people, representing sector organizations and development groups, attended the four sessions. The participants emphasized the need to focus on:

- economic development
- environmental conservation
- sustaining and improving the quality of life of rural residents
- local involvement in implementing the *Rural Action Plan*

The consultations revealed opinions that varied somewhat by region. In the rural west region, participants called for:

- progress regarding wind energy development
- funding support for rural tourism associations
- funding support for community museums

In the rural east, participants were in favour of focusing on:

- greater support for community development corporations
- support for local development resources

The central area participants put a stronger focus on:

- initiatives that improve quality of life
- promotion of entrepreneurship and mentorship
- development of land-use policies
- strengthening local government

At the francophone session, participants:

- emphasized the need for opportunities to telework (periodically working from home)
- showcased the success of the Collège Acadie Î.-P.-É., including its distance education model, as an example of educational opportunities for rural Islanders
- demonstrated the importance of their regional tourism association
- stressed the importance of co-operative enterprises

3.2 Sector Workshops

Seven sector workshops were held from Sept. 3 to Oct. 5, 2009. Over 200 people participated in the sector workshops, including industry organizations and representatives of First Nations and Acadian communities. The workshops identified many of the same issues as the consultations. Emphasis was put on:

- land-use planning and strengthening local governments
- programs and strategic infrastructure investments that will enable the traditional rural sectors (primary industries and tourism) to grow and become more competitive
- establishing new sectors

3.3 Summary of Key Themes from Regional Consultations and Sector Workshops

The Regional Consultations and Sector Workshops were instrumental in forging the elements of the *Rural Action Plan*. The key, broad themes from these sessions are presented below.

3.3.1 Business Development

Capital

Participants stressed the importance of being able to access pools of capital for business development. But they noted that venture capital is not easily accessed on Prince Edward Island, or the Maritimes generally. The first 25% of capital is the hardest to access; getting additional capital from existing programs is time-consuming in terms of applications and forms. The government needs to be more proactive and should provide clearer direction – a road map – on how to access applicable funding. Lending programs need to be more flexible, and alternatives should be provided. People indicated that the obstacles that make it difficult for rural entrepreneurs and business owners to access programs must be removed, and that clearer communications are needed to better identify the programs and services available to them. As well, rural citizens need greater clarity and simplification in terms of what services are being provided, and who is providing them.

Outreach

Participants discussed the need for an 'outreach' program that could help business owners access federal and provincial funding. The best way to communicate the availability of this funding is through the industry and related associations. The consultations included a recommendation that a mentorship program be developed for rural entrepreneurs. They should be teamed with established businesses and provided access to sound advice and support.

One-stop Shopping

Participants stressed that one-stop shopping is needed. Government and regional development organizations need to deliver business services under one roof or through a single organization, which would reduce duplication of services and create greater efficiency (less 'run-around'). Entrepreneurs and small business need stronger support and collaboration with community-based development corporations. They need clearer communications about available programs and services.

Branding

Participants noted that branding and market development can reduce the province's vulnerability to global commodity markets. Initiatives are needed that can promote the inherent Prince Edward Island brand, and which can enable food and craft producers to be market-ready and competitive. Rural development agencies need to be established to help rural communities pursue economic development. These agencies need to coordinate their efforts across the wider rural area.

3.3.2 Primary Sectors and Tourism

Agriculture

Participants stressed the need to diversify the agriculture industry to meet changing circumstances. Strong concerns were expressed about the viability of the industry. For several decades, a huge decrease has occurred in the number of farms across the island, with multinational control of the agri-food sector squeezing farmers. Farmers should be exploring opportunities for innovation, and should take advantage of incentives to set aside land for conservation.

Alternative energy was a key focus for the participants. Many comments reflected the recommendations of Growing the Island Way, the 2009 report of the Commission on the Future of Agriculture and Agri-Food on Prince Edward Island. People emphasized support for the report's recommendation regarding biomass. The report called for a program to help companies and individuals establish energy businesses that utilize agriculture-based and forest products-based alternative energy technologies. With oil prices expected to increase, such alternative energy sources can generate cost-savings and economic benefits.

Participants stressed the need to promote agricultural practices that are environmentally sustainable. Changes to the Lands Protection Act and the establishment of the Alternative Land Use Services (ALUS) program were lauded as beneficial initiatives. Protecting water ways, watersheds, and ensuring buffer zones are in place should be a priority. More incentives are needed for farmers to practice sound environmental practices, such as reforestation to create economic opportunities.

Innovation measures were also supported. For example, some felt that pilot projects that incorporate new, innovative techniques should be funded in their early stages of development. The Commission report also noted that R&D and market development were essential to the future success of the Prince Edward Island agri-food system.

Land use issues were a high priority for many people. The threat of urban sprawl and lack of land-use planning were common themes. For example, people were critical of the number and size of houses being built in rural areas, and which in some cases are being built along existing roadways – ribbon development – instead of as distinct communities with connections to roadways. Farmers feel they have no say in development activities occurring in their vicinity, even as pressure is being exerted on them to be more environmentally sensitive in their practices, or to set land aside all together for conservation.

Fisheries

The fisheries sector is an important provider of livelihoods in coastal communities all around the Island. The consultations and workshops revealed a general consensus that lobster is the backbone of the fisheries industry. However, many seasoned veterans are facing retirement – producers are on average over 50 years of age – and strategies are needed for recruiting and training the next generation. As it is, the work is hard and provides a modest income. A more conducive environment for financial support would also help. The lobster industry should be respected for its contribution to the economy and given serious consideration when seeking an investment in its infrastructure. The consultations also revealed a strong interest in establishing facilities for cold storage for freezing fish bait and other locally produced and grown products in rural areas.

Aquaculture

Overall, aquaculture is seen to have great potential as a contributor to future rural development. Global demand for seafood is growing at 9% a year. The industry on the Island has a good reputation and can make a significant contribution to future economic development in rural Prince Edward Island.

However, participants felt that the Island needs to find ways to increase the value of aquaculture products. One recommended approach is to augment the use of brand names, which can be a strong marketing tool. People felt that the province needs to develop initiatives which promote the Prince Edward Island brand and help producers to be market-ready, competitive and able to increase exports. As well, shellfishers face increasing challenges accessing the resource. In the case of oysters, the quantity and quality of the product must be increased. Infrastructure issues, such as quality of wharfs and access to shore, need to be maintained.

Concerns were also expressed over invasive species – chiefly tunicates (or sea squirts) – which have gotten worse in recent years. Solutions are needed, as this irritant increases operating costs. Water quality, which is critically important to product safety and quality, is another major concern. The aquaculture industry must work with other sectors to resolve this threat. Labour shortages also need to be addressed.

Seafood Processing

Participants indicated that the fish processing sector needs significant innovation in areas of new product development and production processes, in order to improve competitiveness and productivity while reducing low-skilled labour requirements. The fish processing sector consists of a large number of plants, leading to intense competition for feedstocks and to plant's being underutilized. Moreover, fewer and fewer Islanders desire seasonal fish processing employment, which is often low paying and entails poor working conditions. The sector suffers from chronic and intensifying labour shortages. The consultations revealed a strong interest in establishing facilities for cold storage for freezing fish bait and other locally produced and grown products in rural areas.

Forestry

Participants stressed the need for a balance between the primary industries impacting rural Prince Edward Island, while ensuring that environmental concerns are also taken into account. Improved forest management, which involves cleaning up forests and measures like using waste material for wood pellets, should be considered. Currently, a great many woodlot owners are not accessing forestry programs. The provincial forest inventory should be updated to guide future decisions on utilizing this biomass resource.

Energy

Participants noted that Prince Edward Island needs to enhance its self-sufficiency in heat and electricity. Wind energy was emphasized as an area of potential growth, and even an experiential product for tourism. Prince Edward Island presently derives 18% of its electrical energy from wind energy. As noted in the government's policy document on wind energy, The 10 Point Plan, much more potential exists on the Island to increase its reliance on alternative energy sources. Combining watershed protection and wind energy, people could be paid to expand buffer zones and use these areas to create energy that could: reduce Prince Edward

Island dependency on importing energy; reduce its dependency on oil; and lead to exporting wind technology. However, further community consultation is required before Prince Edward Island proceeds with more wind turbines or transmission lines.

Tourism

People indicated that the tourism industry in Prince Edward Island needs to stimulate new growth and encourage repeat visits from tourists. The sector needs to focus on product development and the implementation of product development strategies. A website should be developed that shows where all festivals and events are occurring throughout the Island. In general, participants noted that broadband Internet will help the tourism industry do business in a more professional manner, and reach a wider clientele.

Participants expressed the view that funding of the regional tourism associations needs to become more stable in order for the associations to properly plan, especially in terms of staff funding. The rules and roles of the associations need to be clarified; they need to communicate better with one another, and they need more staff and volunteers. Participants felt the regional tourism associations could help improve the organization of festivals and events. For example, community festivals need an improved level of support and expertise.

Infrastructure was also a key concern for the consultations on tourism. People felt that significant upgrades are needed if rural Prince Edward Island communities are to become "destinations." Infrastructure can be a boon to tourism. The new Central Coast Drive, tagged "One Drive – Two Shores," is a good example of the types of improvements needed.

Participants indicated that other cultural and heritage properties require upgrades; parks need improvements in sewer and water services; and community beaches need better services. Improvements to transportation infrastructure are also needed. The tourism sector needs access to capital, which means getting lending agencies to play a bigger role to complement the federal role, and securing greater involvement by the private sector.

3.3.3 Community Development

Skills

A knowledge-based economy requires a basic minimum level of skills in the labour force. In the consultations, participants described a rural Prince Edward Island with low levels of literacy, shortcomings in technology, lack of transportation, lack of opportunities, and a corresponding disinterest in education. In the rural west and rural east, about 40% of the population aged 25 to 64 holds a post-secondary education, in part because the rural labour market has not traditionally required advanced credentials.

For many years, the skill demands of the labour market have been steadily rising. Fewer and fewer jobs exist for people without at least a high school diploma. Participants suggested that if literacy and education levels don't improve, the government and businesses cannot attract new business. Specific skill sets for training need to be identified. People indicated that more focused human resource development policies are required that harmonize with rural economic development needs and opportunities. Human resource development strategies are needed that are both broad-based and opportunity-specific.

Training

Participants felt that the culture of learning must be improved through greater involvement of the community, and by partnering with learning centres such as Holland College, UPEI and the Collège Acadie Î.-P.-É. in order to provide training programs for rural areas. Many people have work and family obligations that prevent them from traveling great distances for education. Yet training is critical if businesses wish to survive or prosper. The government needs to help residents of the rural west and rural east gain post-secondary credentials more quickly.

3.3.4 Leadership Development and Volunteerism

Leadership Development

Participants said that methods must be found for rural leaders to have an ongoing voice in rural-focused strategies, and the need exists to promote greater collaboration between leaders, communities, organizations and government. Although a leadership role might seem prestigious, participants suggested that the 'community leader' function can actually be undesirable because of potentially negative perceptions of such positions. Many appointments have no set timeline, and as a result committee or organization leaders are often thought to be in place too long. Participants recommended that term-limits be entrenched in the by-laws of community organizations.

Participants suggested it would be beneficial to set up an umbrella resource that community organizations could use to access information on simplifying the process of setting up by-laws and constitutions. Leadership programs could be established that would include a tax credit for participants. Community groups need help in areas that will make them more sustainable, such as succession planning, leadership development, and structures and processes to protect volunteers from risk.

Community Volunteerism

Measures are needed to stimulate greater volunteer-based activity. To encourage more volunteers, it was suggested that each community stage a 'volunteer day' for local groups to promote what they do and what skill sets they seek in volunteers. As well, programs are needed to enable youth to become more established in rural communities; volunteering could help young people gain the experience they need to build the knowledge and confidence they require to go on to pursue more lucrative opportunities.

3.3.5 Environment

People felt that development activities must account for the fragile rural environment. A balance must be struck between creating wealth through primary industries and protecting an inherently beautiful and unique rural landscape. Endless cottage subdivisions, huge industrial farms, and ribbon development are cluttering the landscape and preventing other uses of the land, uses that may be more sustainable while creating less impact. Programs are needed that recognize the inter-connectedness between traditional rural economic sectors and the local environment.

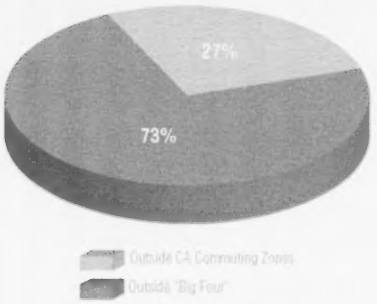
In particular, watershed projects were considered to be the type of initiative with the greatest return on investment. Communities and schools could get involved in improving the landscape. The Watershed Management Program supports community watershed groups across the province. The watershed groups address issues of siltation, land use, and overall environmental quality. The relationship between government and local watershed groups is also a successful example of integrated rural development in action.

Participants supported the economic and environmental advantages of wind turbines, and their potential for experiential tourism. But people cautioned that greater community consultations are needed before the province moves ahead with more transmission lines and wind turbines. It was noted that private Island equity could be raised for energy projects, but that the funded projects must demonstrate that they are viable and sustainable.

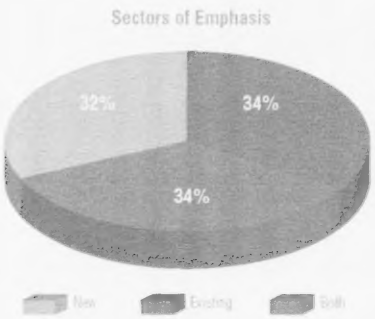
3.4 ON-LINE SURVEY

In preparing the *Rural Action Plan*, the government conducted an online survey. The survey queried how respondents thought "rural" should be defined in Prince Edward Island. A full 73% of respondents felt the focus should be on all areas outside the four largest municipalities: Charlottetown, Summerside, Cornwall, and Stratford, not the areas outside of the two census agglomerations as proposed in the discussion paper, Renewing Rural Prince Edward Island.

Islander Preferences on Definition of "Rural" PEI



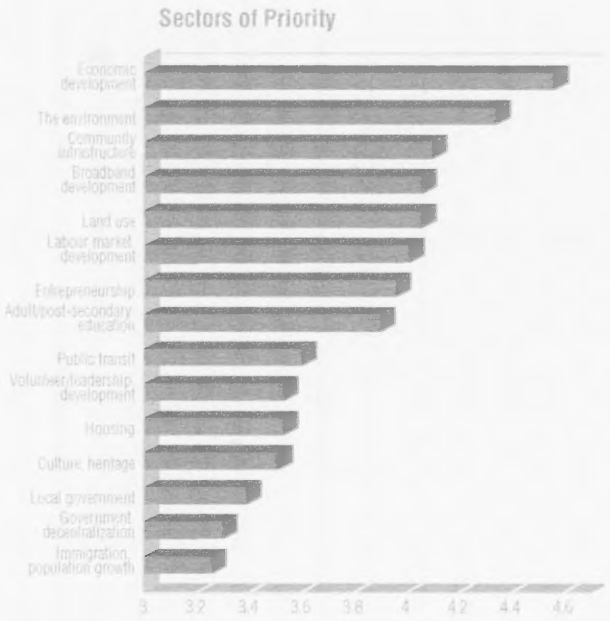
In the survey, 75% of respondents favoured a regional approach to rural development, and 89% said that additional support should go to those rural regions facing the greatest challenges. The survey asked people how much emphasis the Action Plan should put on strengthening existing sectors versus forging new industries, or emphasizing both. The results were nearly equal: 34% on existing sectors, 34% on existing sectors and new industries, and 32% on new industries.



The survey asked respondents to prioritize four ways the government could approach economic development. Respondents ranked them as follows:

1) Help existing employers strengthen or grow their operations
2) Help local entrepreneurs start up new enterprises
3) Foster the development of "new economy" sectors in rural Prince Edward Island
4) Prospect for major new employers

The survey asked respondents to indicate how much emphasis the Action Plan should put on 15 selected areas. Respondents placed highest priority on the following eight, in descending order: economic development, the environment, community infrastructure, broadband, land use, labour market development, entrepreneurship, and adult/post-secondary education. The Action Plan includes action items (Section 5.0) that address all of these areas.



Respondents also placed priority, but at a lower level, on these seven areas, in descending order: public transit, volunteer/leadership development, housing, culture and heritage, local government, government decentralization, and immigration/population growth.

4.0 Vision, Goals and Key Themes

This section provides:

- a description of the vision, goals, and key themes of the *Rural Action Plan*
- seven broad goals that correspond to 40 Actions described in Section 5.0 that are intended to fulfill the aims of the Plan.

Vision

A prosperous, vibrant and healthy rural Prince Edward Island, able to adapt to a changing world and to offer diverse opportunities and a high quality of life to all its citizens.

Goals

The *Rural Action Plan* establishes seven broad goals:

Goal 1: To create a sound basis for rural businesses to grow, for new ones to be formed and for new sectors to emerge.

Goal 2: To enable the growth of innovative, competitive and sustainable primary sectors, in order to ensure that they remain pillars of the rural economy and community for generations to come.

Goal 3: To augment rural areas of Prince Edward Island as tourist destinations; to expand and grow products, such as festivals and events, that complement the primary sectors and strengthen local culture, while increasing visitations Island-wide.

Goal 4: To improve the balance between the growth and health of primary industries and rural communities with the need for environmental conservation.

Goal 5: To invest in community development efforts and to strengthen community-based capacities.

Goal 6: To invest in education and the development of human resources in order to create opportunities, strengthen the base of Island industries and to share – to the fullest extent possible – the benefits the 'One Island Community' principle.

Goal 7: To increase development investments in areas of greatest need in order to stimulate growth and opportunity.

Key Themes

The *Rural Action Plan* is founded on these themes: shared leadership, a balanced approach, responsiveness, and community-based decision-making.

Shared Leadership

- The *Rural Action Plan* proposes a new model to enable shared leadership – within government, within rural regions, and linking government and rural Prince Edward Island – called integrated rural development.
- Within government, all departments contribute to the wellbeing of rural Prince Edward Island, and all departments are responsible for working together to ensure that those actions achieve the fullest possible benefit for rural Islanders.
- Communities must share in the leadership of their regions to define and move toward greater prosperity and an improved quality of life.
- Governments and rural regions must work together to apply the resources of government to the needs and priorities of rural Prince Edward Island.
- The *Rural Action Plan* must engage our education and research institutions to strengthen our knowledge and human resource base.

Balanced Approach

- Rural Prince Edward Island's heritage and culture are at the heart of its provincial identity, and the rural economy generates much of the province's wealth.
- The *Rural Action Plan* must enable rural Prince Edward Island to overcome the challenges and barriers which create disparities and inequities, or which reduce opportunities and quality of life for the province's citizens.
- The Plan must foster and facilitate change, innovation, and adaptation in order to generate a better future for all.
- The process of strategy development will give a voice to rural Islanders in defining what to hold, what to build and what to change.

Responsiveness

- Each rural region within Prince Edward Island has its distinct strengths, challenges, and opportunities. Therefore, priorities and approaches will vary to best meet the needs, build on the strengths, and seize the opportunities of a given region. Residents need access to information and the resources to define responses to their priorities.
- The *Rural Action Plan* recognizes that some rural areas face greater challenges and higher barriers to opportunity than other regions. To overcome structural disadvantages, development measures must be broader and deeper in some areas than in more advantaged regions.
- The *Rural Action Plan* combines research findings with the insights and knowledge of rural Islanders to determine how each region of Prince Edward Island can best develop to its fullest potential.

Community-based Decision-Making

- Prince Edward Island has had a range of economic development strategies in the past 40 years; however, no provincial organization exists upon which to reinvigorate the rural economy.

- Local development or 'bottom-up' efforts are not always long-term or as strategic as needed, as they do not have the resources to improve decision-making and invest accordingly. However, these efforts are generally built on a community consensus regarding priorities and acceptable solutions.

- Community development corporations have provided tremendous leadership and initiative, and require greater support. Community development corporations have a critical role in seizing and adapting opportunities within the *Rural Action Plan* to meet local challenges.

- Central administrative efforts generally have strong, long-term perspectives, built with the benefit of human, financial and information resources.

- Fusing the strengths of local and central approaches is the essence of integrated rural development.

- Real, lasting change cannot be imposed; it requires that the provincial government and rural communities cooperate on regionally-based, adequately funded initiatives that promote business development, stimulate economic infrastructure and support human resources.

The current state of the rural economy is the product of decades of decline and change, which cannot be reversed without a broad, long-term, persistent and integrated effort. This effort must be built on a strong foundation of institutions and information, and an acknowledgement of the depth of change required to have a lasting and positive effect. The *Rural Action Plan* contains the essential first steps toward a stable, reinvigorated future for rural Prince Edward Island.

Part 2
The Rural Action Plan

5.0 The Rural Action Plan

This section provides:

- Descriptions of 40 Action Items, or initiatives, designed to stimulate rural economic growth, enhance prosperity and improve the quality of life for rural citizens.

The *Rural Action Plan* contains 40 measures that focus on achieving seven goals established through the research and consultation phase. In accordance with these seven goals, the 40 measures are designed to: (1) enhance business development; (2) strengthen primary sectors; (3) expand tourism; (4) protect the environment; (5) bolster community development; (6) invest in human resources and education; and (7) ensure that all regions of Prince Edward Island share in growth and opportunity, the concept advocated in the 2008 Speech from the Throne, "One Island Community, One Island Future." The Plan includes both new actions and actions already announced and funded. The previously announced actions are accompanied by recommendations to ensure these initiatives meet the needs of the *Rural Action Plan*.

The Plan includes indicators to measure the progress on its goals. A series of baseline indicators will be developed and reviewed annually. The implementation of several important parts of the Plan will begin immediately, and full implementation will start in April 2010. Over its duration, April 2010-March 2015, the Plan will lay a solid foundation upon which future programs and initiatives of benefit to rural Prince Edward Island will be built.

Goal 1: Enhance Business Development

Entrepreneurs and business-owners are the cornerstones of Prince Edward Island's rural economy. Whether they export oysters or potatoes, run a bed and breakfast, or own a processing facility, business people represent the greatest asset the Island has for building and diversifying the rural economy. The success of the Rural Action Plan will hinge on its capacity to help existing businesses grow, stimulate the emergence of start-up companies, and nurture the development of new sectors of opportunity.

Rural PEI in 2015

- A sound basis exists for rural businesses to grow, for new ones to be formed, for traditional sectors to be strengthened and for new sectors to emerge;
- Local businesses receive the counseling, development assistance, and training they require to innovate and develop products marketable in a competitive economy;
- The spirit of entrepreneurialism thrives and is the primary source of new employment opportunities in rural Prince Edward Island;
- The benefits of the Island Prosperity Strategy are fully realized.

Action 1:
Developing Rural Businesses

Three regional development locations — called Rural Action Centres — will be established to help expand local businesses by fostering greater awareness of programs and services, and by removing obstacles that prevent entrepreneurs from developing their businesses. The Action Centres will also service community and human resources development needs.

The Rural Action Centres – to be located in Alberton, Bedeque and Montague, with satellite locations in Wellington and Souris - will provide an accessible, local, one-stop-service locale where rural businesses can learn about provincial and federal business development programs. The Centres will offer business counselling services and business training, and will provide community development and human resources' development assistance. Through these services, the Rural Action Centres will aim to remove obstacles impeding the development and growth of businesses in rural Prince Edward Island.

The Centres will house staff from federal and provincial departments and non-governmental organizations, providing rural entrepreneurs and businesses with a range of skilled resources they can consult on their business development strategies. Clients will be guided through the Rural Action Centres by a Client Navigator/ Information Officer, allowing them to find essential resources. In partnership with post-secondary institutions, the Rural Action Centres will be promoted as venues for learning and for community engagement. The Rural Action Centres will contain classroom space for training and community meetings, as well as hotel space for telecommuters and local business people.

On the Island, many programs and services exist to stimulate business development. Yet few are being accessed by rural businesses. A recent study by MRSB Consulting Services shows that 50% of rural business people are not aware of government funding sources and about 70% are unaware of government business advisory services. The Rural Action Centres will be integral to changing this trend.

Action 2:
Responding to Business Needs

In order to develop more responsive programming and promote programs available at the Rural Action Centres, a Business Services Outreach Program will be developed.

During the consultations, business people indicated that in order for business development programs to be more responsive and targeted, government officials and staff developing and delivering these programs need to be more actively engaged with businesses and business leaders in the rural regions. As part of the Business Services Outreach Program, staff will make routine site visits to businesses to gain a greater understanding of the nature and challenges of rural businesses. They will promote the services available at the Rural Action Centres, and participate in regional business organizations such as chambers of commerce. Regular reviews will occur in order to ensure the program is meeting the needs of entrepreneurs and business people. Opportunities to facilitate mentorships will be sought and supported.

Going high-tech in rural community

Cameron Lerch and Laura Jane Koers had never been to the Maritimes before they moved to Prince Edward Island in late 2007. They were living in Victoria, B.C. but found housing prices, and the cost of living, too high to be able to fulfill their dream of a successful balance between family and career. They knew they wanted to move somewhere they could be near the coast, and they knew that a rural life would suit their goals.

"Prince Edward Island ended up being the perfect fit for several reasons," explains Cameron Lerch. *"For one, housing prices were low, so we were able to buy a house without a mortgage. And the Island had high speed internet access in many rural parts of the province, which would give us the opportunity to start our careers once we moved here."*

Lerch and Koers work in web development and consulting, so high speed internet access allows them to work from their home in Whim Road. But they didn't start their careers immediately after the move. First they had to renovate the farm house they'd purchased. They also started a blog called www.whimfield.com which documented their move from B.C.

Now the young couple is settled in their new rural Island home. And they have few regrets.

"We're really enjoying the rural lifestyle," says Lerch. *"Our community is very close knit. We've made friends with the neighbours, who've been very approachable and welcoming since our first day here."*

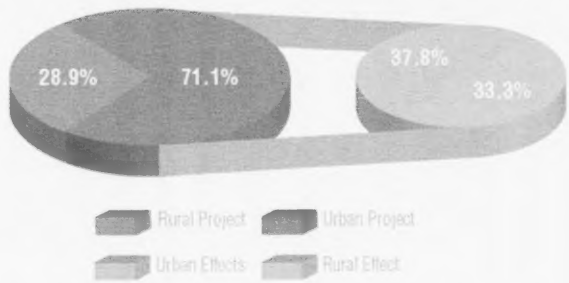
Lerch and Koers have also begun developing their businesses. Lerch runs Kibo Software, a web application development company, and Koers oversees Bright Flock, a web content and marketing consulting firm. Their goal, as of the move, is to make a successful living in their fields while having more free time to work on creativity and raise a family. Lerch says they're well on the way to making that goal a reality.

Action 3:
Increasing Participation in Island Prosperity Programs

As a component of the five-year, $200 million investment under the Island Prosperity Strategy, the provincial government is implementing a series of programs to conceptualize and commercialize new and innovative products.

The Strategy puts in place several funds to support the conception and commercialization of a given product, including the Pilot Fund, the Discovery and Development Fund, the Prototype Fund, and the Regulatory Marketing and Management Program. The Pilot Fund, for example, supports the process of conceiving of a new product and determining its market worthiness. Of projects funded through this strategy since October of 2008, 29% were rural-based and another 33% had a "rural effect" (such as university-based research and development related to rural industries).

Distribution of Successful IPS Applications



Recommendation: Innovation PEI should consider the goals and needs identified in the Rural Action Plan when evaluating its program criteria, in order to ensure that its programs are as accessible as possible to rural entrepreneurs.

Action 4:
Championing Island-Wide Rural Broadband

Reliable and high-speed Internet connections are no longer a luxury; they are as essential today to business as electrical power. The Island Prosperity Strategy includes a commitment to establish an Island-wide rural broadband system.

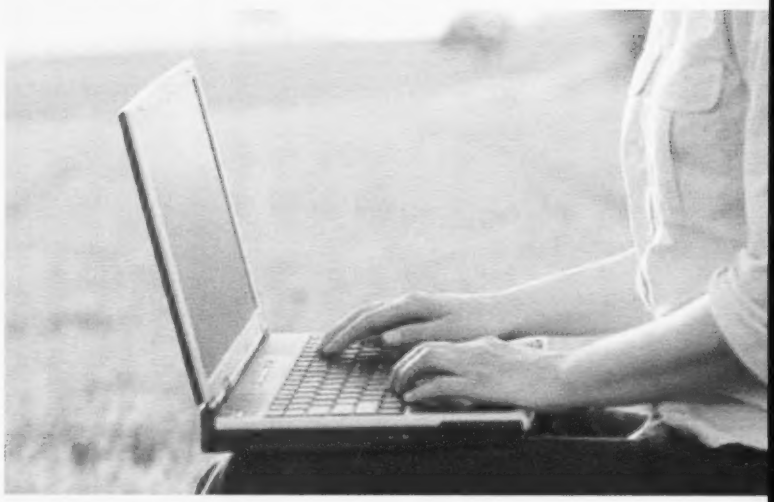
In the strategy, the government recognized the need for broadband services that are proven, reliable, and affordable. Broadband construction began in November of 2008, and the core system is nearing completion. By early 2010, virtually every Island home and business will be able to access high-speed Internet service. Broadband will have a myriad of benefits. For example, it will allow Islanders to retain a rural residence while dramatically increasing their access to business associates or clients, both on the Island and afar.

Recommendation: Upon completion of the rural broadband network, efforts must be made to promote awareness and maximize the use of the network for business development purposes. Rural Development PEI will assume a leadership role and work with the private sector to develop creative approaches to maximize the impact of the network.

Action 5:
Creating the Rural Broadband Fund

The Rural Broadband Fund (RBF) is a strategic partnership between Bell Aliant and the Province of Prince Edward Island. Both Bell Aliant and the Province have agreed to contribute $100,000 to this fund every year for the next five years to help qualified companies located on Prince Edward Island execute innovation-based information technology projects in rural Prince Edward Island.

This fund fulfills a commitment made by the Province and Aliant to increase support for projects that demonstrate innovation in information technology, particularly projects focused on communications and communications technology that will aid in rural development. Innovations can be in the form of new products, inventions or services. Ideally, this Fund will lead to technological breakthroughs in such areas as health, software, the Internet, and wireless and consumer electronics. These innovations should break with conventional processes or go beyond marginal improvements in existing products and services. The Rural Broadband Fund will provide grants of up to $50,000 per annum to cover eligible operating expenses for one- or two-year projects.



Goal 1: Measures of Progress

- Participation rates in IPS and PEI business development programs;
- Rates of access to government-source lending vs. conventional lending;
- Number of start-ups and survival rate of businesses;
- Number of jobs created by SMEs – both new and expansions;
- Change in employment rate by region;
- Level of diversification of employment;
- Economic impacts of major projects (such as wind developments) on local economies;
- Change in degree of metropolitan influence by region and sub-region;
- Whether market income (earned and 'other') makes up a greater share of total income;
- Rate of uptake of rural broadband system, by household and business;
- Number of teleworkers;
- Number of rural IT businesses established;
- Qualitative surveys of clientele conducted at Rural Action Centres;
- Levels of usage of Rural Action Centres and rating individual services.

Goal 2: Strengthen Primary Sectors and Natural Resources

The primary sectors have been integral to the rural economy of Prince Edward Island. These sectors – agriculture, fisheries, aquaculture and forestry – will continue to play a central part of rural communities as they expand and diversify. The Rural Action Plan will stimulate a more innovative and competitive agriculture industry, more innovation and sustainability in the fisheries, and more diversified forestry. As well, the Plan will generate a great expansion of wind energy capacity in rural Prince Edward Island, as this sector comes to play an increasingly significant role in rural economic development.

Rural PEI in 2015

- The primary sectors, including agriculture, fisheries, aquaculture and forestry, remain pillars of the rural economy and play a significant role in its future;
- Primary sectors have access to a range of programs that enable them to become increasingly innovative, competitive, modern and supportive of environmental goals. Opportunities to add value to Island goods and natural products are being maximized;
- Industry and the provincial government have identified the key infrastructure and marketing platforms needed to enhance and expand the export of Island goods and natural products. Strategic, well-planned investments in economic infrastructure are being made;
- Primary sectors and tourism work co-operatively to strengthen and promote the Prince Edward Island brand.
- The province, rural communities and the rural economy are benefiting from the sustainable development of our forest and wind resources

Agriculture: Supporting Industry's Vision

The provincial government has long been a champion of Island agriculture. It has demonstrated this commitment by participating in the industry-led Commission on the Future of Agriculture and Agri-Food on Prince Edward Island and the development of programs like the Buy Local Initiative, the innovation and research programs and investments in sustainable diversification.

In 2008, the provincial and federal governments cooperated with the Prince Edward Island agriculture industry to create an independent Commission on the Future of Agriculture and Agri-food on Prince Edward Island. The Commission's report, Growing the Island Way, contains 14 recommendations that articulate the vision of a sustainable future for the Island's largest industry. The Commission called for the creation of an industry-led Prince Edward Island Agri-food Alliance to oversee the implementation of the recommendations, which promote competitiveness, collaboration, and sustainability. The implementation of these recommendations is underway.

Action 6:
Supporting Innovative Agriculture

The provincial government recognizes the need to diversify agricultural crops, a measure that in current times is critical to the industry's economic development.

In a partnership with the federal government, Prince Edward Island is budgeting $1 million a year to help agricultural producers to diversify, increase competitiveness, and undertake value-added practices. The government is also supporting organic production techniques, and encouraging the commercialization of new crops such as crambe, hemp and borage, which can be produced and processed on the Island. Incentives are also being created to support research and development into crops that decrease erosion, reduce nitrate levels, and stimulate new market opportunities.

Recommendation: The Department of Agriculture should continue to work with the PEI Agri-food Alliance to promote innovation based on sound market intelligence.

Action 7:
Increasing Competitiveness of Agriculture

The Prince Edward Island government is developing measures to increase the competitiveness of the agriculture sector and to demonstrate the potential for agriculture-based renewable energy.

The provincial government is developing programs to reduce the costs of production and processing through energy audits, renewable energy incentives and broad-based strategies to reduce energy costs. Energy represents a major expense for producers; Prince Edward Island is very dependent on imported sources of energy, for heating purposes in particular. Programs will soon be available to assess energy needs and to identify solutions – be they wind, solar, biomass and/or biogas alternatives – to create revenue opportunities for farmers, replace imported energy, and improve competitiveness by controlling input costs.

The Marine Fishery: Supporting Industry's Vision

Lobster is the backbone of the Prince Edward Island fishery, representing more than 65% of the overall economic value of the sector. A Lobster Industry Roundtable has been established to develop a shared vision for the future of the lobster industry in Prince Edward Island. The Roundtable includes representatives of federal and provincial fisheries departments, fishers, aboriginal fishers, processors and the science community.

Working in partnership with the federal government, the Prince Edward Island government has also established a five-point plan to meet the immediate and long-term needs of the lobster industry.

Action 8:
Supporting Viable Fisheries

The provincial government has developed a Low Interest Loan Program for Prince Edward Island fishers who are experiencing financial difficulties due to rising costs, low landings in some areas, and market conditions that have resulted in low shore prices for lobsters.

The Fishers Low Interest Loan Program is a joint initiative of the Department of Fisheries, Aquaculture and Rural Development, and the PEI Lending Agency. Loans under the program are being administered by the PEI Lending Agency. Eligible applicants are provided loans at a low interest rate for the first five-year term of the loans. In its initial offering, over 150 fishers accessed the program and over $20 million was lent to consolidate debt and enhance the viability of fishers. This program has been extended to all lobster fishers in the province and applications are being accepted until June 30, 2010. In addition, the provincial government has carried out a pilot project to purchase and hold canner lobster for processing at a later date. This initiative will help fishers and processors cope with the glut that occurs during the high catch period of the spring lobster season.

Recommendation: The Department of Fisheries, Aquaculture and Rural Development, along with the PEI Lending Agency, should review the impact of the Fishers Low Interest Loan Program, and recommend further extensions and seek options to continue to improve the Program.

Recommendation: The Department of Fisheries, Aquaculture and Rural Development, should review the impact and cost effectiveness of the canner purchase pilot project, and provide recommendations for potential future iterations of the program.

Action 9:
Seeking Innovation in Fisheries

In partnership with the federal government, the provincial government has initiated a $4 million investment in product development, processing innovation, and marketing.

Designed to address the industry's need to pursue innovative solutions to current challenges – whether related to the labour market, improving margins through the development of new markets, or through more efficient processes – this $2 million dollar investment by the province should lead to greater long-term stability for the fisheries industry.

Action 10:
Enabling Sustainable Fisheries

The provincial government has supported an industry-led rationalization in two Lobster Fishing Areas (LFAs).

Seafood markets are seeking a supply that is harvested from areas where the resource is sustainable. Accordingly, to support a sustainable resource, the government supported an industry-led rationalization in LFA 25 in time for the 2009 fall season. A loan of nearly half a million dollars was made available to the Prince County Fishermen's Association to bank some 20 licenses for the 2009 season, while details of a rationalization program were being finalized.

This loan has been extended to provide up to $3 million to enable the permanent retirement of up to 34 lobster licenses. Consistent with the 5-Point Lobster Plan, the province remains committed to partner with the industry and the federal government regarding rationalization in LFA 26A.

Recommendation: The Department of Fisheries, Aquaculture and Rural Development should conduct an assessment of the impact of the rationalization loan on catches and incomes during the 2009 season. The Department should continue to encourage Federal investment in rationalization.

A hub of economic activity

In a community with a centuries-old tradition of sailing and fishing, the Souris Harbour Authority has plans to make the Island's major ice-free port into a local hub of economic activity.

The Authority formed in 2006 after Transport Canada divested itself of the Port of Souris. With a board made up of fishermen, community leaders and harbour users, the Authority has given itself a mission of financial independence and sustainability.

"We've got some funding from the transition, maybe enough to help us for another 15 years, but what we have to do is develop revenue and economic activity that's going to take us forward forever," says Denis Thibodeau, chair of the Souris Harbour Authority.

Thibodeau says the harbour is recognized as an important economic engine. He said the community has seen the importance of a bustling harbour, both in terms of direct employment and in spin-off economic activity.

"This past year we had our best year ever probably in terms of the amount of gravel that came ashore..That translated into a lot of jobs: security at the port, truckers to haul the gravel," he says.

"It's the same with the fishermen. The locals all use the harbour and pay to put up their boats, but then we have the transient fishing boats who put in here shot-term, such as during tuna season. They pay harbour fees but then they go up the street and buy supplies and groceries for their boats. The harbour is just a magnet that brings all that business to town."

The Souris Harbour Authority is working to strengthen the dollar-drawing power of that magnet. In 2009, the authority built the eastern Cold Storage facility in Souris Food Park, an industrial freezing and storage operation serving the food industry. The Authority is looking at possible future business opportunities, including wind power generation, biofuel facilities and aquaculture.

Thibodeau says the people on the Souris Harbour Authority have a strong sense of mission, but also a strong sense that they are in a promising location at a time of opportunity. *"One thing we did early on was to acquire quite a lit of land around the harbour in order to give us a base to develop on. Now we have the location pretty well in the middle of town, we have the power infrastructure and the water and sewer infrastructure. I think we can be an important employer for this whole area,"* he says. *"Our aim here is to make investments that are going to bring jobs and businesses here that will support the Authority and the harbour for the long term."*

Bio-science and primary sector combine for success

Bio-science is a fast emerging sector on Prince Edward Island. But back in 1996, there were only a few companies working in the field. That's the year a small company based in Boston Massachusetts – that was conducting research in St. John's, NL – decided a facility in Fortune was the right fit for its research and development activities.

Now, 13 years later, Aqua Bounty is on the verge of moving from research and development into full scale commercial production of its Aqua Advantage Salmon.

Dawn Runighan is the facility manager for Aqua Bounty's operation in Fortune. She lives in Morell but grew up just down the road from Aqua Bounty in Little Pond.

"Rural Prince Edward Island is a great fit for Aqua Bounty," explains Runighan. *"An operation like ours needs access to clean groundwater, it needs access to potential staff and it needs assistance from the province to put it all together from a staffing and recruitment perspective. We've found all of that in rural Prince Edward Island."*

The company employs 12 people, most of them from the local area. But Runighan says that once the company's advanced hybrid salmon receives FDA approval, the company will move away from research and development and begin commercial production. And that will bring even more employment to the area.

"The staff from the area is excellent," says Runighan. *"It's very satisfying when you bring jobs to a small rural community and see the effects those jobs have on people's lives and on the rural economy."*

Runighan says she hopes to see continued investment in rural Prince Edward Island by businesses like Aqua Bounty. She says the province's focus on the bio-science industry is a good way to bring in that kind of investment given the abundance agricultural area, marine capacity, and human resources.

Action 11:
Creating a Future Fishers Program

The government has launched a new Future Fishers Program to help train new entrants to the lobster fishery.

The program will provide interest rebates and formal training in areas such as marine operations, lobster biology and management, seafood processing and marketing, and financial management. The program isn't designed to add new fishers to the industry; rather, it seeks to replace retiring individuals in order to ensure the lobster fishery is passed on to new generations of rural Islanders.

Action 12:
Investing in Sustainable Aquaculture

The provincial government has provided significant support to the development of the aquaculture industry.

In aquaculture, the provincial government has partnered with the federal government and industry to address invasive species, in particular the tunicates that are impacting the province's mussel industry. Strategic investments are being made in research, equipment development, monitoring and improved communications. Programs have also been enhanced to develop the public oyster fishery and expand oyster aquaculture.

Action 13:
Launching Biomass Heat Energy Pilot Projects

A program will be instituted to increase the supply of energy from local biomass.

On Prince Edward Island, 75% of the energy consumed is for the purpose of institutional and home heating. Biomass, a renewable energy source, is a biological material derived from living, or recently living organisms – such as wood, waste, and alcohol fuels – used to generate electricity or produce heat. For example, forest residues (such as dead trees, branches and tree stumps), yard clippings and wood chips may be used as biomass. On Prince Edward Island, biomass supplies 10% of the provincial energy mix, mostly in the form of residential firewood. But the Island's agricultural and forestry products or byproducts, such as straw, grain, sawmill residue and wood chips, creates great potential for biomass to become a higher percentage of the Island's energy source. As detailed in the new energy strategy, Securing our Future: Energy, Conservation and Renewables, the province is committed to demonstrating how biomass can heat public buildings across the Island. Biomass pilot projects are being developed; as this industry progresses, a strong demand is anticipated from a large customer base.

To accelerate this process, the provincial government will convert a number of suitable buildings across the province so they can be heated by biomass. A competitive process will be developed so that the government can partner with the private sector to provide heating systems and the needed biomass fuel through long-term heat purchase agreements. Two government buildings have already been converted for this purpose.

Action 14:
Conducting Forest Resource Planning and Certification

The work of the Inter-Departmental Biofuels Committee has revealed numerous long-term opportunities related to forest resources on the Island, such as Biomass Heat Projects.

However, sound planning – including the development of up-to-date information regarding the forest resource - and improved long-term management practices are required to improve decision-making and stimulate the development of high impact investment opportunities. Since 2000, significant changes have occurred in the provincial forest resource. Therefore, up-to-date information is required.

In 2010 and 2011, the Department of Environment, Energy and Forestry will conduct a province-wide forest inventory which will be published in 2012 as a component of the State of the Forest Report. The inventory will provide the necessary information upon which to develop long-term investment strategies, such as an expanded Biomass Heat program.

The need also exists to demonstrate the benefits of forest certification on Prince Edward Island, in order to enhance economic opportunities from the forest resource and ensure sound, sustainable forest management. To do so, the Department will identify a block of public land and apply to have it certified under the Forest Stewardship Certification system. The provincial government will then be able to demonstrate certification systems to the public and to private woodlot owners, promote public lands as role models for private woodlots, contribute to enhanced economic opportunities, and ensure sound stewardship of this public resource. As these benefits are realized, additional lands can be certified under the Forest Stewardship Certification system and, once its program for small woodlot owners becomes available, under the Canadian Standards Association system.

Action 15:
Expanding Wind Energy Capacity

In the Island Prosperity Strategy, the government pledged to work with the federal government and private sector partners to expand the Prince Edward Island wind energy capacity from 100 MW to 500 MWs by 2013.

While wind already generates 18% of the province's power, its full capacity is far greater. The goal of The 10-Point Plan is for 30% of Prince Edward Island electrical energy to come from wind power, a level unmatched in any other jurisdiction in North America. In addition to providing a sustainable and stable measure of energy security, wind energy presents significant economic development opportunities, particularly for rural areas. The plan requires that developers demonstrate they have community support, and that they ensure that rural Islanders receive the maximum benefit from this emerging resource. Rural communities will benefit through: local purchases of goods and services during construction and after commissioning of each project; local construction and maintenance employment; and lease income for landowner residents.

Once fully realized, The 10-Point Plan will represent the largest Capital construction project since the Confederation Bridge. This development will have significant impacts on rural businesses during construction and will result in significant, long-term employment opportunities.

The first "request for proposals" issued under The 10-Point Plan was issued on October 26, 2009. Submissions from respondents are due by January 29, 2010. Economic and community benefits from each proposal will also be considered in evaluating proposals.

Recommendation: In order to maximize the long-term impacts of the implementation of the 10-Point Plan, government agencies should work with local companies involved in the construction phase to develop strategies that take maximum long-term advantage of the specialized experience and skills of these companies.

Goal 2: Measures of Progress

- Change in rate of labour force numbers in primary sectors;
- Change in rate of contribution to GDP from primary sectors;
- Change in measures of diversity in crops;
- Number and cost and impact of research and innovation projects approved;
- Change in input cost for farmers participating in "competitive agriculture" programs;
- Impact of seafood marketing efforts;
- Number of new technologies developed for seafood processing;
- Number of licenses retired, economic impact of rationalization;
- Number of Future Fishers applications approved, impact on change in age demographics of fishers;
- Change in percentage of energy from biomass;
- Change in percentage of wind integration into the PEI electrical grid
- Change in the amount of wind energy exported

Goal 3: Expanding Tourism

In rural Prince Edward Island, tourism has a tremendous role to play in the development of vibrant rural communities. The industry has adopted strategic directions that can greatly enhance traditional rural sectors and make for significant growth in the Island's cultural industries. New technologies, such as broadband, are enabling tourist operators big and small to benefit from shared marketing platforms. Such technologies have great potential to improve the fortunes of artisans, accommodation operators, and primary industries. Regional Tourism Associations will fulfill an important role in the implementation of provincial strategies that lead to the expansion of tourism across the Island and to a longer tourist season.

Rural PEI in 2015

- Rural Prince Edward Island is greatly augmented as a 'destination' for tourism, for more people and for a longer tourist season, thanks to a myriad of initiatives including culinary tourism, a province-wide cultural festival, and support for regional tourist associations;
- The Island enjoys an expanded tourism industry that provides diverse opportunities for artisans and great vibrancy for the Island's rural communities.

Action 16:
Expanding Tourism

Tourism is a major sector for Prince Edward Island. The government is committed to enhancing the product that drives this industry, and finding new and innovative ways to augment tourism on the Island.

For example, government and industry partners established the Fall Flavours festival, which has become a significant tourism event. The festival has demonstrated great potential for generating additional tourism opportunities for rural communities, and for providing other benefits to rural industries.

The Department of Tourism and Culture plays an active role in enhancing the rural tourism experience, by working with the private sector to develop experiential tourism products that showcase rural initiatives, such as potato harvesting and oyster fishing. In the past two

years, the government has invested $30,000 in workshops across rural Prince Edward Island on experiential tourism. The workshops provide fishers, farmers, musicians, and artisans with information on ways to match their livelihoods with tourists' interests.

The provincial government is taking a fresh, creative and aggressive approach to developing the province-wide tourism industry. These initiatives will have a particularly strong impact on rural communities. The government has:

- Supported the new Cavendish Beach Music Festival;
- Partnered with the Golf Channel in 2008, gaining extensive exposure in international markets;
- Invested in rural events and attractions such as The Kings Playhouse, the Montgomery Theatre, "Follow the Fiddler" in Victoria, La Petite Seduction in Evangeline, Cycle East, the Sea Glass Festival, and the Hillsborough River Eagles Festival;
- Invested in the Confederation Trail and provincial parks; restructured product investment programs to strategically focus on regional tourism associations and tourism not-for-profit groups.

As well, the government is merging its integrated tourism solution, called Book PEI, with the new Island-wide rural broadband system. Book PEI gives over one thousand accommodation operators – ranging from hotel chains to one-cottage businesses – access to a centralized online reservation system. Reservations have been steadily increasing, such that Prince Edward Island vacation planning centres are now booking up to 100 room nights per day. That number is expected to rise as customers become familiar with the concept of online booking.

Moonshine becomes a viable business

An old, illicit, Island tradition is developing into a promising new business on the shores of Rollo Bay. Myriad View Distillery, an artisanal liquor distiller, is making a name for itself by supplying top-grade rum, vodka and gin to the PEI Liquor Commission and to a growing number of tourists and locals who come by the distillery. But the inspiration for the business comes straight from the Island tradition of making moonshine in backwoods stills, a tradition that has led to the Island's first licensed moonshine distillery.

Ken Mill and his business partner Dr. Paul Berrow opened the Myriad View Distillery in 2006, a supplement to their own full-time careers, after recognizing that the Island 'shine tradition was something worth building on.

"Paul had moved here from Manitoba and as he got to know people in the community he was struck by the fact that at these different parties and gatherings there would often be somebody that had a pint of moonshine that they had bought or that they had brewed themselves," says Ken Mill.

"He started saying that if someone could produce this moonshine legally they'd have a good business right here. One day I just said to him if you're crazy enough to go ahead with this business, I'm buying in."

The pair soon embarked on a trial and error process of developing just the right shine recipe, including the realization that many family formulas for home brewed liquor simply wouldn't work at the scale needed for a bottling plant.

"When we finally had the right recipe, it was something that people from all across the Island would be able to say tasted like Island shine," says Ken.

The location of the Myriad View Distillery may be as important as the recipe itself.

"I think being here where people used to do the rum running and the moonshine making is important. If you were trying to make shine from a building in Charlottetown someplace it just could never be the same," Ken says.

Despite the addition of vodka, rum and gin to the distillery's product line, Ken says they remain rooted in the freewheeling moonshine history of Kings County.

"We'll have people come by to see the distillery for a free tour and tell us about the old days when they were making shine themselves and it means a lot to hear from them," he says.

Action 17:
Supporting Regional Tourism Associations

A new, predictable funding formula will be established to allow Regional Tourism Associations to take on a greater leadership role.

On Prince Edward Island, three coastal drives circumnavigate the rural regions. Of the numerous Regional Tourism Associations, the four largest ones cover the areas that are represented by the Coastal Drives. Another one represents the Island's largest Acadian community, la Region D'Evangeline. Another RTA serves the Kensington area, while three Destination Marketing Organizations serve Charlottetown, Summerside and Cavendish. The associations play diverse roles. Some act as intermediaries between businesses and government, while others concentrate on product development or marketing. Much of their funding comes from proposal-driven initiatives which are not always aligned with the tourist season, and which require the associations to take financial risks in order to ensure that shared products are in place for the tourist season.

In order for tourism to be expanded in rural Prince Edward Island, regional tourism associations will need to take on a heightened leadership role. This will require resources, including enhanced human resources, technical support, accurate market information, and stable, predictable funding. Research and consultations are being conducted in anticipation of this opportunity, and a funding and operating model is being developed in collaboration with the tourism industry. Rural Development PEI will support the Regional Tourism Associations in the development of strategies for regional festivals and events. The working relationship between the provincial government and the tourism associations envisioned here illustrates the integrated rural development approach advocated by the *Rural Action Plan*.

Action 18:
Creating a Province-Wide Cultural Festival

The provincial government will develop a province-wide, month-long cultural festival called the Cultural Explosion, which is a simultaneous "Festival of Festivals" across the province.

In order to stimulate rural tourism, the Department of Tourism and Culture will partner with Regional Tourism Associations to help extend the tourist season through work with industry, cultural groups, communities and government to expand arts and culture festivals on Prince Edward Island. Investments are required to ensure these festivals are marketed at a scale that will attract new and returning visitors to rural regions. Key initial features of the Cultural Explosion will be support for a restructured and revitalized Festival of Small Halls and the second staging of the Cavendish Beach Music Festival, both taking place in the summer of 2010. Eventually, the Cultural Explosion will become a large-scale Festival of Festivals staged throughout the province, in the tradition of the Edinburgh Festival.

Action 19:
Promoting the Culinary Alliance

In the past two years, Tourism Prince Edward Island has invested in the provincial culinary festival Fall Flavours. The fall traveler is thought to be motivated by culinary and cultural experiences; therefore, this time of year is a perfect season to encourage travel by staging culinary festivals.

The success of Fall Flavours has led to further investigations into the potential of culinary tourism on Prince Edward Island. In the fall of 2009, the provincial and federal governments partnered with representatives of the seafood, tourism, potato and culinary sectors to create the Prince Edward Island Culinary Alliance. The mission of the Alliance is to develop innovative food industry partnerships, culinary experiences and promotional programs that increase tourism to Prince Edward Island, increase on-island consumption of rural Prince Edward Island food products, and increase export sales of these products. The Alliance will work to find unique, innovative and collaborative ways to build a brand for culinary tourism, drive distribution, and increase sales. The Alliance has already launched several initiatives, including the development of a "Flavours of Prince Edward Island" cookbook, a handbook on culinary tourism, and the culinary website. The province will work with partners to broaden Fall Flavours into a month-long culinary celebration.

FlavoursTrail
A Culinary Journey

The support of the Regional Tourism Associations, which can initiate and hone local culinary events, will be essential to fully realizing the potential of the Culinary Strategy and expanding culinary activities across the Island.

Goal 3: Measures of Progress

- Change in total rural visitation;
- Change in shoulder season visitation;
- Change in new rural tourism business start-ups;
- Change in number of tourists identifying culinary or cultural tourism as a primary and secondary motivator;
- Impact of culinary and cultural tourism on total provincial tourism numbers;
- Qualitative assessment of impact of culinary tourism on partnering sectors.

Goal 4: Environmental Conservation and the Rural Economy

Environmental issues were the second-highest rated concern identified in the on-line survey, and were prominent at the public consultations. The three Commissions that addressed matters relevant to rural areas also made recommendations on land and environment measures: (1) The Commission on Nitrates in Groundwater; (2) The Commission on the Land and Local Governance; and (3)The Commission on the Future of Agriculture and Agri-food on Prince Edward Island.

Significant progress has been made regarding environmental issues in recent years. The agriculture industry has made significant contributions to this progress. For instance, at present 89% of farms are now practicing 3-year crop rotations and many that practice two-year crop rotations are doing so with approved Nutrient Management Plans. Continued efforts to protect the environment – which benefits not only rural residents, but also primary industries and tourism – will be achieved through measures to encourage conservation by farmers, aquaculturalists, foresters, landowners and watershed groups.

Rural PEI in 2015

- Environmental and economic concerns in rural Prince Edward Island work toward common goals for the long-term benefit of the environment, the economy and the community;
- Rural landowners and residents take advantage of programs and community-based initiatives to protect and enhance the natural rural landscape, waterways and seascapes;
- The vibrancy of rural Prince Edward Island stems from the increasingly symbiotic relationship between environmental and economic interests. This relationship is a significant attribute of the Island's vibrant rural communities.

Action 20:
Protecting Groundwater

In Prince Edward Island, the future of rural communities is tied to the health of the local environment. Rural Islanders have a deep understanding of the need to balance economic and environmental demands.

The provincial government is adopting the recommendations of the 2008 Commission on Nitrates in Groundwater. These measures include: ensuring that all Islanders can have water samples tested for free; banning the spread of untreated septage; and giving farmers incentives to remove sensitive lands from crop rotation. The government has also expanded the Provincial Watershed Program, which now receives in excess of $1 million annually. The government also introduced the province-wide Alternative Land Use Services program (ALUS), the first of its scale in Canada. ALUS provides $1 million a year to reward farmers and other landowners for protecting ecologically sensitive land and waterways.

Recommendation: The government should continue to act on the recommendations of the Commission on Nitrates in Groundwater. Progress reports regarding the Commission report should be presented to the Legislature in the spring of 2010 and 2012.

Recommendation: The government should continue work with the community-based Watershed Groups to develop a long-term plan for the development of the Provincial Watershed Program.

Making specialty products from rural crops

Rural Prince Edward Island serves as an ideal location for a company like Nature's Crops International. The company processes oil seed crops to produce high-quality oils. These oils are used in specialty products ranging from cosmetics, to medicines, to industrial lubricants. The primary crops used by the company grow extremely well in north-eastern North America, and they make an excellent rotation crop for potato growers. So, when the company decided to set up shop in Kensington, management knew it would be an excellent location.

"First of all Kensington is in the agricultural heartland of Prince Edward Island," says Steve Howatt, General Manager with Nature's Crops International. *"It's in very close proximity to the resources we require to do business. But beyond that, this area of the Island has many other companies that have experience with the agricultural processing sector, and that will mean access to experienced staff and companies that will help our company be successful."*

Howatt says this province is a good fit for Nature's Crops because of its strong bio-science sector, because it's favorable to the production of non-commodity crops and because of the abundance of relatively small farm operations, which Howatt says are more suitable for the specialized production of the crops required by the company.

"PEI growers' familiarity with traceability systems and crop identity preservation makes it easy for our company to trace the product back to the farm from which it originated," says Howatt. *"And that is extremely important in this era of increased food and product safety."*

Nature's Crops International employs three people right now, but Howatt expects that number will increase to as high as 20 when the company is in full production. The company just moved into a building in Kensington which will house its processing facility.

Taking business to a new level

For John and Peter Griffin, doing business in rural Prince Edward Island is second nature. Their father, W.P. Griffin, began working in the table potato packing and shipping industry in 1947.

In 1958, the elder Griffin became the sole proprietor of a company known as McKenna and Griffin. In 1969, he incorporated the business and changed its name to W.P. Griffin Inc. In 1988, John Griffin graduated from Saint Mary's University in Halifax and returned to the family business in Elmsdale to work with his father and his brother Peter. John became president of the company in 2000, while his brother took on the role of Vice-President. Since then, they've taken the business to a whole new level.

"In 2004 we completed a major upgrade to our facilities in Elmsdale," explains John Griffin. *"This upgrade allowed our company to focus more on value added products like barbeque ready potatoes, restaurant style bakers and mini gourmet potatoes."*

W.P. Griffin Inc. markets its potato products under four brand names: Griffin, Bud the Spud, Dole and Markon. W.P. Griffin's products can be purchased throughout Eastern Canada at supermarkets such as Sobey's, Price Chopper, Foodland, & Loblaw's.

Griffin says the biggest advantage to doing business in rural Prince Edward Island is the quality of the workers.

"We have employees that have been with the company more than 40 years. So we know our workers are dedicated. But beyond that, being in rural PEI allows us to be close with our neighbours, it allows us nearby access to the products we need to be successful, and it gives us a great place to live and raise a family."

Griffin plans to continue the company's focus on value-added products in the future. He hopes to add international markets while maintaining a solid base in rural Prince County.

Action 21:
Consulting on Land-use Planning

To better protect Prince Edward Island land and water resources, the provincial government will initiate further consultation regarding the development of a cohesive land use plan for the entire province, as recommended by the Commissioner on Land and Local Governance.

In response to the Commissioner's recommendations, the provincial government will undertake a thorough public consultation process and research program to develop the framework for a potential province-wide land use plan. In cooperation with stakeholders, including representatives of rural industries, communities and landowners, the government will launch a made-in-PEI vision and set of guiding principles as the first step of a process that considers the interests of all concerned parties.

The impacts of a province-wide land use plan would be profound and must be carefully considered. The proper management of the land resource is critical to the long-term viability of the Island's primary sectors, tourism, the local environment and rural communities. All of the impacts of a land use plan must be assessed in order to determine the best path forward for communities, industries, landowners, and the province at large.

Action 22:
Amending the Lands Protection Act

The provincial government is amending the Lands Protection Act, in order to let landowners who are at their land-holding limit set aside up to 40% of their holdings permanently for conservation and replace it with non-environmentally sensitive agricultural land.

This measure will have a profound impact on agriculture, the environment, and the economic integrity of rural Prince Edward Island. For each farm, the area set aside could total up to 400 acres for individuals and 1,200 acres for corporations, since they're allowed to own up to 1,000 acres and 3,000 acres respectively. For lands to be excluded from a persons' or corporations' aggregate land holdings, the land must be deemed environmentally significant.

Depending on how extensively the agriculture industry takes advantage of this opportunity, a projected 50,000 acres of highly sensitive land could become protected, while another 50,000 acres of high quality land will return to production. Lands eligible under the environmentally significant class include:

- Forested land
- Land impacted by the buffer zone legislation or sensitive land that has been taken out of agriculture production and used as an expanded buffer
- High sloped agriculture land identified in the PEI Sloped Land Inventory that has been converted to a forest or agri-forest land use
- Land utilized by wetlands identified in the PEI Wetland Atlas
- Land utilized by erosion control structures
- Land utilized by permanent grass headlands
- Land utilized by hedgerows that meet a quality standard

This amendment to the Lands Protection Act demonstrates that a sound environmental and land-use policy can also be a beneficial agricultural and economic development policy.

Action 23:
Supporting Conservation

In order to conserve water, soil and habitat, the Alternative Land Use Services (ALUS) program will be reviewed and expanded, with its budget increased accordingly.

Introduced in 2008, ALUS is a voluntary program under which Prince Edward Island landowners and farmers receive annual financial compensation for removing environmentally sensitive land from agricultural production. The compensation allows farmers to remain competitive, while going beyond traditional practices to protect the environment. Farmers can also be compensated for establishing and sustaining environmentally beneficial management practices that protect soil and water quality or improve fish and wildlife habitat.

ALUS is an agro-environment measure that provides broad societal benefits. For example, income derived from ALUS lands provides a disincentive for subdivision development, which also benefits the rural tourism industry. ALUS supports the establishment of native trees in buffer zones, and takes land out of production to conserve soil. In addition, research will be conducted to determine the potential that fully implementing ALUS – in concert with other land and water protection measures – will have for capturing greater market value for agricultural, aquacultural, and tourism products.

All landowners in the province are eligible for financial compensation under the ALUS program. But only those landowners who are at their land holding limits can benefit from the creation of an Environmentally Significant Class of Land. Allowing producers to exempt environmentally significant land from their land holding limits, in combination with the ALUS program, will promote much greater protection of environmentally sensitive lands for future generations.

Recommendation: The Department of Agriculture – in partnership with industry, environmental and landowner groups – should conduct a review of ALUS and develop a plan to expand the program for the 2011 season. A partnership with the federal government to fund the full expansion of ALUS should be sought.

Company thrives in rural west

When Craig Construction and Craig Plumbing and Heating moved their operations from Sherbrooke, near Summerside, to Northam, near Tyne Valley, in 1997 it was a return home for Bruce Craig. Craig grew up in the tiny community in western Prince Edward Island and he'd always wanted to return there to live and do business with his brothers Bill and Vernon.

"We'd been in Sherbrooke since 1984, but we had no more room to grow," says Craig. *"So, my brothers and I purchased my step-father's old farm, set up shop, and we've been expanding ever since."*

But beyond the need to grow, Craig also wanted to support the community where he grew up. *"Not only has it given us a chance to give back to the community, but it's also opened up a whole new market for our companies in rural western PEI."*

What was only a construction company in 1996 has since grown into three inter-related companies that employ 18 staff. The construction company holds one of the only R2000 certifications in the province. The newest company, Craig Wood Products, conducts selective and sustainable timber harvesting to produce Island made wood products.

That company opened in 2006 after a $3 million expansion in Northam. The company uses horses rather than machinery to help harvest the wood and it has one of the most advanced band-sawmills in Atlantic Canada. This allows the company to sell 100% Island sourced, kiln dried, cabinet grade lumber.

Craig says being in Northam also has advantages you wouldn't see in larger centres. *"We've developed personal relationships with a number of rural property owners who allow us onto their land. That helps us get quick access to the resources we need to make the business successful."*

Goal 4: Measures of Progress

- Reports showing the progress in implementing the land and environment measures identified in the reports of the Commission on Nitrates in Groundwater, the Commission on the Land and Local Governance and the Commission on the Future of Agriculture and Agri-food on Prince Edward Island;
- Total acreage managed under the Alternative Land Use Services program (ALUS);
- Total Acreage added to the Environmental Significant Class of Land;
- Percentage of the province represented by a Watershed Group;
- Number of water environmental incidents;
- Reduction of nitrite levels in groundwater;
- Fewer fish kills/anoxic events/shellfish closures.

Goal 5: Support Community Development and Capacity Building

Supporting community-based decision-making is a key principle of the Rural Action Plan. Over the past 30 years, several local community-based development corporations have been established across the Island. These organizations are volunteer-driven and play a significant role in identifying the needs of communities, telling government what changes are required, and communicating within their communities the changes needed.

To support community-based development corporations, the Rural Action Plan will build on the resources provided by Rural Development PEI by making available tools to strengthen the capacity of communities to engage in local decision-making. These tools address four fundamental challenges: access to financial resources (Action 24 and 25); access to information (Action 26); a vehicle to build broader regional partnerships (Action 27); and tackling population decline (Action 28).

Rural PEI in 2015

- Infrastructure requirements in rural Prince Edward Island are identified so that the right investments — such as rural broadband — can be made in order to stimulate new avenues of economic growth;
- Assessments are conducted to assess the viability and potential benefits of proposed projects.

Action 24:
Creating Community Economic Development Investment Funds

Community economic development investment funds will be established to support innovative, community-based projects.

The concept of Community Economic Development Investment Funds was introduced in Nova Scotia in 1999-2000. The Funds ("CEDIFs") are "pools of capital formed through the sale of common shares to persons within a defined community." Since becoming established in Nova Scotia, 91 separate Funds have come to manage over $32 million in assets thanks to investments by nearly 5,000 Nova Scotians. These funds constitute a unique investment tool. The Funds have invested in developments that range from small wind farms to golf courses and cooperatives.

Community economic development investment funds are meant to operate or invest in a business or businesses in the community. The funds must be incorporated either as corporations or associations and cannot be charitable or "not-for-profit." On Prince Edward Island, the Provincial Treasury is developing a made-in-PEI model of community economic development investment funds based on the program in Nova Scotia. The Prince Edward Island fund will prioritize strategic investments that maximize rural resources to meet the needs of local communities.

Succeeding at business, without leaving home

For Harley Perry, Tignish is home. It's where he grew up, and it's where he intends to stay. The rural way of life he's known since he was a boy is too important to him to even consider going somewhere else to live, or to relocate his business. But beyond his emotional ties to his long-time home, his business ties are just as strong.

"Perry's Construction has been doing business here in western Prince County for over 50 years," says Perry, President and Owner of the company. *"We're very well established here. Our workforce is from here, the bulk of our business is here and because the Island is so small we aren't too far away from any one location where there is potential for more business."*

Harley Perry took over Perry's Construction when his father John passed away in 1995. The company focuses on concrete work on the residential side, and agricultural storage buildings on the commercial side. The company has successfully bid on contracts from one end of the Island to the other, and it's done some international business with potato storage contracts in Russia and China as well as a condominium project in Bermuda.

"Just because we're located in a small corner of a small province, doesn't mean we can't be competitive or effective in other regions of the country or around the world," says Perry. *"We have a quality workforce that gets the job done, and done well."*

Perry's Construction employs 20 to 40 workers, depending on the time of year. Almost all of them come from the local area. For Perry, that's a tremendous source of pride because he knows those wages will help support the community he calls home.

Action 25:
Increasing Access to Development Funds

The work of communities, of community-based development corporations, and of development-focused non-governmental organizations requires funding to be fulfilled.

Until 2007, these groups were largely limited to the Community Development Fund ($800,000-$1 million per year). Since then, the provincial government has added the Island Community Fund ($27.5 million over five years), of which 60% has been expended to date in rural communities. The devolution of the Canada-PEI Labour Market Development Agreement has resulted in the creation of the Work Experience PEI program, which will provide $3 million annually to community development projects. To implement the community initiatives advocated in the *Rural Action Plan*, rural communities and development groups will have access to up to $10.0 million per year through programs such as the Island Community Fund ($5.3/year), the Community Internship Program ($1.0/year), Work Experience PEI ($3.0/year) and the Community Development Fund ($1.0/year) – in addition to conventional business development programming. Furthermore, responsibility for the Island Community Fund will be transferred to Rural Development PEI. Program criteria for the Island Community Fund and the Community Development Fund will be revised to complement the goals of the *Rural Action Plan*. This commitment represents more than a ten-fold annual increase in the investment in rural community development by the government of Prince Edward Island compared to the level available prior to 2007.

The contributions of federal partners, especially the Atlantic Canada Opportunities Agency, whose investments in business development and community development are critical to the future of rural Prince Edward Island, Agriculture and Agri-food Canada and the Department of Fisheries and Oceans will be instrumental in achieving the goals set-out in the *Rural Action Plan*.

Recommendation: Rural Development PEI should work with Innovation PEI to step beyond rural development programming to stimulate even greater opportunities for broader economic development investments in rural Prince Edward Island.

Action 26:
Facilitating Access to Data and Statistics

A Community Accounts initiative will be developed – in cooperation with the Quality of Island Life Cooperative and the Government of Newfoundland & Labrador – to give communities access to data and statistics about their communities in an online, open-access format.

This initiative was announced in the Speech from the Throne, One Island Community, One Island Future. Community Accounts represent a resource that will facilitate sound planning and decision-making, which is essential to the growth and sustainability of rural Prince Edward Island. A Prince Edward Island Community Accounts portal has already been developed, and a Statistics Act has been drafted that will allow the government to make the tool available to the public.

Making this information available to rural communities will allow businesses and development organizations to develop strategies for growth that are based on the best available statistical information about Prince Edward Island. The government will seek to partner with the Island's post-secondary institutions to conduct research that adds value to the Community Accounts resource and provides further benefits to rural communities.

Rural Development PEI, in cooperation with the Island's post-secondary institutions, will also initiate a series of pilot projects based on the Community Accounts program to develop local development strategies in West Prince, Eastern Kings and Southeastern PEI.

Rural company goes global

Belfast Mini-Mills describes itself as catering to cottage industries, maintaining a clientele of small-scale textile processors. But the family-run firm has become successful on a global scale, selling spinning equipment and looms to clients as far off as Germany and Afghanistan.

Douglas Nobles has been designing, selling, servicing and inventing equipment for the textile trade for years. He owns the company with his wife Linda Nobles and family members Sheila Sutherland, Clive Sutherland and Hazel Spencer.

The family merged its accumulated skills in manufacturing, welding, metal fabrication and weaving into the company and, over the course of a couple of years, moved from British Columbia to rural Prince Edward Island.

"We set up our business here in Belfast because we wanted to live and work amid the industry we service. It's a lifestyle that we wanted as well as a business we have developed," he says. *"The people who buy our equipment are farm based smaller processors who are turning fibres into high quality products. They have a herd of animals and they buy a piece of equipment for $150,000 or $250,000 and they can have a good value-added business at the scale of the local farm."*

Nobles and his family began as one of their own clients, processing wool from their own herd of dairy goats.

"After a while we stopped the dairy side of the business, but we've kept the mill operating and we have a shop that sells our products as well as a tea house. It's important that people can see us in business, using our equipment and working with fibres. It's a good tourism draw. We're off the beaten path but last year we had 14,000 tourists visit us."

Those visitors include potential customers from every corner of the map.

"We have a system we installed in North Ronaldsay, one of Scotland's Orkney Islands. We have another that we are hoping to set up in Libya where Colonel Ghadafi wants to be able to offer visitors a coat made from camel hair spun from his own camels."

Belfast Mini-Mills employs about a dozen people year-round. Technicians work setting up mini-mills for clients around the world.

"The next project we are working on is in Germany where the power for the mill might come from photovoltaic cells. There's just an incredible range of experiences in this job."

Action 27:
Enabling Information-Sharing

Three regional development forums will be established to act as venues for information-sharing between economic, social, and cultural development groups.

The forums, which will be bi-annual, will facilitate communications between different stakeholder levels and build stronger regional partnerships. In the consultations, respondents noted disconnections between the efforts of organizations within a region. They observed how orders of government pursue similar objectives in isolation from one another, and how regional and provincial groups with common goals experience gaps in communications. The forums will fulfill this communications requirement, and will act as a link between interests pursuing economic cooperation and those pursuing social or cultural development. The forums will facilitate information-sharing, bringing together groups to share strategies and goals. The forums will have representation from business leaders, non-governmental organizations, and municipal, provincial and federal governments. The forums will be a key feature of the government's progress of continual engagement with communities.

Action 28:
Creating Local Population Strategies

The Population Secretariat will work with rural communities to develop local population strategies that are based on a three-part provincial population strategy.

The provincial government is committed to encouraging immigration and population retention in rural Prince Edward Island. The Population Secretariat is developing a three-part population strategy that will include a retention strategy, a repatriation strategy, and a settlement strategy. These strategies will be designed to counteract the out-migration of Islanders, to bring back the many skilled Islanders who have left in search of employment, and to attract newcomers.

Retaining or repatriating a greater share of the province's youth would help Prince Edward Island counteract a major international rural trend. An injection of citizens will help revitalize and diversify rural communities. Communities that wish to pursue a local population strategy will be able to work with the Population Secretariat, through Rural Development PEI, to develop community-based strategies. Such cooperation will demonstrate a promising example of integrated rural development.

Action 29:
Investing in Rural Infrastructure

The provincial government is committed to ensuring that rural communities have access to high-quality transportation infrastructure and amenities, which are essential for both the export of rural goods and services and for population retention.

In the summer of 2009, the provincial government committed over $57 million to the Island's transportation network, upgrading roads, modernizing water and sewer systems, and improving recreational and community infrastructure. Joint Provincial-Federal-Municipal infrastructure programs, such as the Municipal Rural Infrastructure Fund and the Build Canada Fund, have brought significant investments to rural communities over the past two years. The 2010 Stimulus Capital Plan has identified investments important to rural communities. As a lead-in to future capital planning, Rural Development PEI will identify specific ongoing rural infrastructure needs.

The provincial government has also invested in the intra-city 753 Express, a public transit pilot project that is beginning to connect rural communities to the Capital Region public transit network.

Recommendation: Rural Development PEI should carry out an Economic Infrastructure Needs' Assessment to determine appropriate and effective future infrastructure investments that will stimulate the growth of the rural economy.

Recommendation: Government should continue to develop an approach to viable and expanded public transit in rural Prince Edward Island.

Action 30:
Expanding the Role of Rural Municipalities in Development

The report of the Commissioner on the Land and Local Governance has recommended that the provincial government determine whether a consensus exists among Islanders for incorporating some or all areas of the province into municipalities. This determination should be made through a process of public information and consultation. If a consensus was reached, according to the Commissioner, each municipality would need to have a population and tax base sufficient to provide effective and sustainable local governance on matters which are local in scope.

In the report, the Commissioner stated that a local government requires two key elements to be viable and sustainable: 1) a sufficient population to competently fill elected, staff and volunteer positions in order to provide the citizenry's requisite services; and 2) a sufficient tax base to cover the administrative and other cost of providing those services. The Commissioner provided modeling of regional population and tax bases, working from a model that states that full-service municipalities require a minimum of 4,000 residents and a minimum tax base of $200 million. The model is based on an assessment of up to 24 municipalities; Prince Edward Island currently has 75 municipalities, covering 10% of the Island's land base and servicing over 65% of the Island's population.

While many local development corporations exist in rural Prince Edward Island, few have adequate resources for staffing, strategy development, or independent investments in local projects. To conduct their activities, these corporations depend on federal and provincial government support. But these governments are constrained by divergent development goals, as well as guidelines that set spending limits and specify certain program objectives and accountability procedures. As they currently exist, few – if any – rural municipalities have sufficient resources to become less dependent on federal and provincial programming and funding priorities. An increase in locally-sourced development resources, and more technical staff, would help bring about greater community-based independence and less constrained decision-making regarding development priorities.

Indeed, the resources needed to strengthen local decision-making will increase through the implementation of the integrated development model espoused in initiatives such as the *Rural Action Plan*. This enhanced local development capacity is essential to creating a vibrant and prosperous rural Prince Edward Island. Local decision-making and local input are essential to the development of local economies. The Cooperative Movement and the Rural Development Council (which was prominent in the implementation of the Comprehensive Development Plan) clearly exemplified this principle. However, incorporating more municipalities should only be pursued once the benefits of further incorporation are understood and accepted by Islanders.

Recommendation: The provincial government should continue to explore the benefits of incorporating more municipalities and determine whether or not a consensus exists to proceed; as recommended by the Commissioner on the Land and Local Governance, this exploration should include a process of public information and consultation.

Action 31:
Investing in Rural Jobs

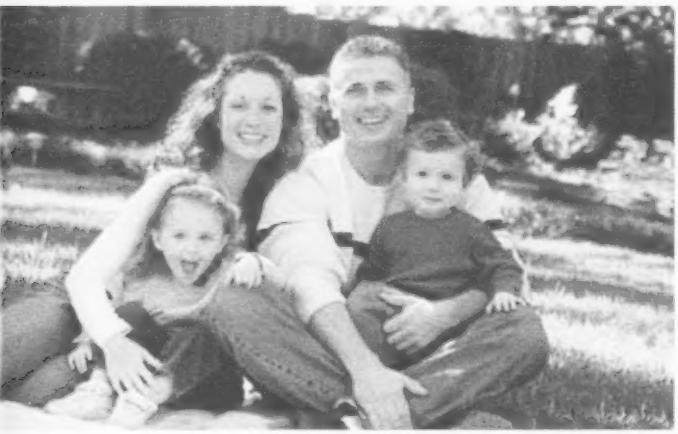
The Rural Jobs Initiative is investing $3.75 million over three years to assist businesses and organizations looking to hire additional employees.

The goal of the program is to strengthen the capacity of rural communities to grow and develop. It supports both the diversification of traditional rural sectors and the growth of new sectors in rural Prince Edward Island. The Rural Jobs Initiative reflects the government's commitment to support and stimulate rural economic development, provide real and practical assistance to rural businesses, and enable workers in rural communities to improve their employment opportunities. 2010 is the third-year of the Rural Jobs Initiative.

Goal 5: Measures of Progress

- The number, scale and impact of Community Economic Development Investment Funds that have been established;
- The number, type and impact of community development projects funded;
- The rate and type of usage of the PEI Community Accounts;
- The establishment of Regional Development Forums and the establishment of regional strategic plans;
- The number and success of local population strategies that have been developed;
- The number and scale of rural infrastructure projects and the development of a Rural Economic Infrastructure Needs Assessment and Strategic Plan;
- The number of Islanders lacking reasonable access to key community infrastructure (based on the results of 2009 Online Survey);
- Assessment of the impact of the Rural Jobs Initiative;
- The amount of municipal participation in community development initiatives.

Goal 6: Human Resources, Education and Essential Services



Human resources pose a significant challenge in rural areas throughout Canada and abroad. Prince Edward Island also faces this problem. A skilled workforce is essential to stimulating and supporting economic development. The human resource issues facing rural Prince Edward Island – particularly in its most disadvantaged areas – include a sparse population base, below-average education levels, an aging population, and the continual loss of the community's most educated members to out-migration. The remoteness from educational or training institutions, and the absence of a public transit system, exacerbates these challenges. Measures must be taken to develop the rural human resource base, by addressing labour market issues, fostering apprentices, developing leaders – including young leaders – and capitalizing on the leadership and experience of seniors. Measures are also needed to provide wider access to post-secondary education.

The stability of rural regions is also dependent upon access to high quality essential services, such as modern education facilities and sustainable health care services. Access to high quality education and extra-curricular opportunities for their children will motivate people to stay in, or even move to, rural communities. Confidence in the sustainability of health care services in rural regions will induce residents to remain in their communities throughout their lives, while attracting new residents seeking a strong local safety net.

Rural PEI in 2015

- Essential services are located within acceptable distance from all main rural centres;
- Government and local economic development organizations work together to identify the human resources needed in each region and fulfill those needs by providing the right training, education, and incentives;
- Rural Islanders have improved access to post-secondary education, including university credentials, college credentials, and trades.

Action 32:
Supporting Sustainable Health Services

The Prince Edward Island government has made great strides in developing sustainable health services. It is committed to ensuring that all Islanders enjoy access to quality primary care within 30 kilometers of their homes, a standard unmatched anywhere in Canada.

Rural health centres now play a vital role in a newly integrated approach to the delivery of health care services. The government is enhancing primary care and emergency medical services, in order to ensure high quality services are available in every corner of the Island. Islanders now have better access to family doctors than most Canadians. The number of practicing physicians is at an all-time high, and making sure every Islander has a family doctor remains a key objective. Fundamentally, the government has articulated a plan for health care on Prince Edward Island; rural health centres play a vital role in that plan.

The provincial government is making investments in hospitals and long-term care facilities throughout Western Prince Edward Island. For example, residents of West Prince will soon have an expanded emergency department in Alberton, and Tyne Valley is already home to a new primary health centre. In O'Leary, plans have been approved for the Beechwood Health Centre and new long-term care beds. O'Leary Community Hospital is also in the process of becoming the regional centre for addiction and mental health services, and the host of the new West Prince diabetes program.

Seniors are also getting improved assistance. Over the next five years, the Government will invest more than $50 million to replace five provincial manors across Prince Edward Island, as a key component of the recently announced Healthy Aging Strategy. Three of the manors serve rural residents, in Alberton, Montague and Souris. Construction of two of these manors – in Alberton and Souris – is scheduled for 2010-2011, and planning for subsequent construction in Montague is underway. This initiative will complement the Enhanced Home Care services, the Seniors Home Repair Program, and the Seniors Property Tax Deferral Program. Helping rural Islanders remain in their regions is an important part of ensuring the fabric of rural Prince Edward Island remains strong.

Live music graces converted church

Setting up shop in a 163-year-old church, Kris and Melanie Taylor have made the central Queens community of Hunter River into an important destination for lovers of live music.

From April to December each year, Harmony House Theatre combines a rustic 140 seat venue with completely modern sound, lighting, air conditioning and wheelchair accessibility. The result has been a busy destination with a steady stream of traffic and performances by Island and Maritime artists, including Bruce Guthro, Lennie Gallant, Jimmie Rankin, Meaghan Blanchard and Melanie Doane.

"The location of the business was key to our decision to create the venue in the first place. We knew being in a central location on the main route between Summerside and Charlottetown would be advantageous," says Melanie Taylor. *"We were aware the United Church was coming up for sale and we knew we wanted to do something with the space."*

"We have been pleased with the positive response." Melanie says Harmony House enjoys the advantage of being able to draw clients not just from two relatively nearby cities but also from the tourism centres in Cavendish, Rustico and Stanhope.

"Location is not an issue when you are booking performers, but it can be when reaching certain audiences," she says.

Melanie uses her background in public relations to help Harmony House reach potential customers.

"I'm able to keep in touch with people despite distances," she says. *"We don't have to rely on outside agencies. All of our sources of print advertising can be accessed via computers."*

Despite just having two years of operation behind it, Harmony House is already looking at expansions, with on-line bookings and a licensed lounge improving their product.

"I think the advantages of being where we are outweigh the challenges. We're right on a main route.... another positive is the effect that this has had on the rural community here in Queens County. The population has something to do here in the area and we are seeing a lot of people taking advantage of that chance."

Action 33:
Modernizing Education

The Prince Edward Island government has embarked on significant investments to improve the future of education across the Island. These investments include improvements in curriculum, modernizations in facilities and access to programs.

Modern education programs and facilities are an essential tool for population retention and attraction, both for rural communities and the province at large. Access to diverse programs and extra-curricular activities in rural regions are essential elements in the creation of the vibrant rural communities of the future.

These capital investments are highlighted by the construction of a new $22 million high school in Montague. Also underway are the development of a kindergarten-to-Grade 12 school in Souris, and a new French-language school in Rustico. Reforms to school programming, meanwhile, will bring benefits to all Islander students in the form of full-day kindergarten and increased support for post-secondary education. Chief among those supports is the George Coles Bursary for first-year students, which has led to major increases in post-secondary enrolment. Since the first bursaries were awarded in 2006, the number of students receiving study awards has almost tripled, from fewer than 1,200 to 3,400. The presence of modern education facilities in rural regions are essential elements in the creation of the vibrant rural communities of the future.

Action 34:
Addressing Rural Concerns in the Provincial Child Care Strategy

The implementation process for province-wide, full-day Kindergarten has revealed some specific needs and challenges in rural Prince Edward Island related to early childhood services.

Many rural child care facilities are already facing significant challenges in human resources and finances prior to the transfer of the Kindergarten cohort to the public school system. There are also significant variations in the availability of early childhood services in different rural regions. Once full-day Kindergarten is introduced, the current challenges will be exacerbated. Rural centres are smaller, more reliant on Kindergarten, and more likely to be non-profit, which are all factors that increase their vulnerability to the loss of Kindergarten children and funding.

Since many rural Islanders commute to urban centres to work and many rural residents, by necessity, work long hours in seasonal jobs, the availability of reliable, flexible, high quality child care services is a significant issue for both population retention and the operation of key rural industries.

The provincial government understands the impacts and needs of rural child care centres and will include policies and measures to address these issues in the Provincial Child Care Strategy.

Action 35:
Creating Regional Human Resource Development Councils

The provincial government will form three region-based non-governmental councils and produce regional human resource development strategies in order to address rural labour issues and harmonize these efforts with regional economic development strategies.

The Regional Human Resource Development Councils will be funded and tasked with putting together strategies to address the emerging human resource development needs in the three rural regions: west, central, and east. They will coordinate efforts across sectors to prepare these regions for employment opportunities, raise the base education level, and develop policies to address the human resource needs of each region. These organizations will be tasked with developing a highly motivated, results-driven approach to the development of human resources. The objective will be achieved by working with Skills PEI, relevant human resource sector councils, local adult learning networks and regional economic development organizations, as well as local, provincial and national education and training institutions.

Action 36:
Supporting Community Groups and Recent Graduates

A community internship program will be established so that business development agencies, regional tourism organizations and community groups can hire recent graduates.

The program will follow in the footsteps of the Rural Jobs Initiative, a program introduced in 2008 to fund incremental staff resources that would enable rural businesses to stabilize and expand. Similarly, the internship program will allow organizations such as business development agencies, regional tourism organizations and community groups to hire recent college or university graduates for six-to-twelve month terms. These employees could, for example, help develop regional tourism festivals and events, contributing to making rural organizations more sustainable.

Eligible sponsor organizations will include non-governmental/non-profit entities, including groups involved in rural economic development, regional tourism associations, industry groups, municipalities, post secondary institutions, social organizations and cultural groups. The organizations sponsoring the interns will prepare and develop work assignments, including descriptions of the tasks as well as training and development opportunities that may accompany the role. Ideally, the work assignments will demonstrate how the position could have exponential impacts on the organization's growth and further development of the rural economy in general.

Action 37:
Investing in Leadership Development

Three new leadership programs will be implemented by Rural Development PEI: a rural leadership development program, a "Leadership at Work" program to help community groups develop sound practices, and an annual Prince Edward Island leadership forum.

In the consultations, participants emphasized the need to develop new leaders. Accordingly, the PEI Community Leadership Development Program will focus on the development of emerging leaders in rural communities. The program will consist of a two-year, seminar-based program designed to provide a broad perspective on the challenges facing the community, within a provincial, regional, national, and even international context. The Program will feature experiential learning seminars to nurture an appreciation of rural Prince Edward Island issues, as well as seminars on emerging opportunities such as those presented by science, technology and the knowledge economy. The seminars will focus on developing leadership skills, communications, board governance and analytical skills.

The Leadership at Work program will be designed to help voluntary and community-based organizations become more sustainable. The program will leverage the Community Internship Program to perform foundational work with groups, help them to build succession plans, develop sound governance practices and processes, and develop strategic plans. Leadership at Work will also leverage existing community training forums, such as Community Schools, to deliver a multi-step community development skills program. Rural Development PEI will develop a tool-kit of resources that can ease the burden on volunteers and accelerate the progress of these organizations. As well, an annual Prince Edward Island Leadership Forum will be held to recognize leaders within rural communities, to share success stories, and celebrate the importance of volunteers.

Action 38:
Consulting Rural Youth

A Rural Development Conference on Youth will be held in the spring of 2010, with a focus on the needs and ideas of youth in rural Prince Edward Island.

In preparation for the conference, the government will establish a conference advisory committee consisting of rural youth to ensure that the conference proves viable and relevant. Consultations, including an online survey, will also be conducted to determine the topics and approaches of the conference. One goal of the conference will be to develop a framework for the development of policies and services that will enhance opportunities for young people in rural Prince Edward Island.

As noted in the Island Prosperity Strategy, the out-migration of young people from Prince Edward Island is shrinking the worker pool. Most disturbingly, the out-migration of 'educated' youth is accelerating. This trend will come to have an even greater impact given that many Islanders are approaching the age of retirement. Clearly, attractive employment opportunities are needed for young people – in rural and urban areas alike – if Prince Edward Island hopes to have the labour force necessary to generate economic renewal and prosperity. Youth leadership organizations such as 4-H provide a clear basis upon which to build an enhanced focus on rural youth.

Supplying customers near and far

Operating at the gateway to Prince Edward Island, MacDougall Steel Erectors has made the community of Borden into an important supplier of fabricated steel to customers in industry and construction.

Since starting in 1998 with a staff of two, MacDougall Steel has become an 80-employee operation with a long roster of clients on and off Prince Edward Island. Among its successes has been an important foothold in the oil industry, with MacDougall Steel designing and building structures for energy exploration and development.

Founder and owner Ron MacDougall says his company's decision to set up shop in Borden has MacDougall Steel market access and room to expand.

"Being located where we are has been very important to our development. We have the bridge right here and that puts us close to clients in Moncton and the rest of New Brunswick, while being centrally located for our Island clients," says MacDougall.

"One of the other good things about our location is that our work takes up quite a bit of space and it can be noisy sometimes with the steel being moved around. We have about 15 acres that we work on here and we make use of it all. The neighbours here all seem to understand that the business makes a bit of noise but I've never heard a complaint. I don't know if you'd get that with a company set up in the city."

Ron says he has been very impressed with the work force that he has found for his Borden operation.

"People who come here tend to stay. I tend to pay a little bit more than the going rate for work. I expect quality work from everyone I hire and I try to treat them well. We don't see too many workers leave after they've settled into their jobs here."

The future for MacDougall Steel involves staying at the technological leading edge of the steel business. The company's MacDougall Media division provides 3-d imaging that lets clients take a virtual tour of a project before the steel is ever touched. And Ron MacDougall is developing wind, solar and thermal energy in order to make his company completely carbon neutral, a selling point to the carbon-conscious energy trade.

"The way we have developed is by offering a high level of service to customers and by keeping a skilled workforce that can deliver the products our customers need," Ron says. *"We're here in Borden for the long term. Our plan is to keep improving our product and add to our customer base. This has been a good place to build our business from."*

Action 39:
Investing in Educational Opportunities in West Prince

Holland College's programming will be expanded to include the establishment of a Regional Training Centre and three Adult Education Centres.

The consultations identified a strong need for adult education and training in West Prince. The recently released "Western Prince Edward Island Labour Market Study" commissioned by Resources West, a regional economic development agency, identified the labour market challenge in West Prince, and made a clear case for developing programming in West Prince. In this region, 43% of the population has less than a high school education (the provincial average is 27%), 14% has a college education (the provincial average is 20%), and 8% has a university education (the provincial average is 18%). The remoteness of West Prince from training opportunities is clearly a factor. Therefore, providing access to local adult education and training opportunities would be a meaningful step forward.

Coordination of The Regional Training Centre will occur in tandem with employment opportunities, and will complement the establishment of a regional human resources council in the west. The Centre will host technological, research-based and resource intensive programming. The Adult Education Centres will offer a core curriculum of adult education and college preparation designed to provide students with essential skills for lifelong learning. In addition, based on demand, each of the centers will offer a college certificate or diploma program on a rotating basis (i.e. the same program would not be offered year after year at the same site).

Goal 6: Measures of Progress

- Comparison of rural health care services compared to national standards;
- Number of manor and community care spaces in rural regions;
- Number of Child Care spaces in rural regions;
- Improvements in secondary school completion;
- Overall growth in rural post-secondary participation;
- Leveling up of participation in the education system in the most disadvantaged areas;
- Improvements in levels of educational attainment;
- Improvements in matching local educational opportunities with local employment opportunities;
- Number of Community Internship Placements;
- Improved retention of youth.

Goal 7: One Island Community, One Island Future

The sub-regions of West Prince, Eastern Kings and Southeastern Prince Edward Island enjoy a strong local identity and great local culture, as well as higher than average rates of self-employment. However, these areas are quite remote from the employment and service centres of Charlottetown and Summerside. They have the least diversity in employment opportunities of any regions on the Island, and much of the local employment depends on the primary sectors, where employment has been in steady decline (due to technological advancement and consolidation). Meanwhile, public sector employment opportunities in these sub-regions are far beneath the provincial average. These sub-regions experience higher rates of de-population and dependency than other areas of the province, and face greater labour market challenges in large part because of the nature and availability of local employment. In the on-line survey conducted for the Rural Action Plan, 89% of respondents said that additional support should go to those regions facing the greatest challenges.

Rural PEI in 2015

- All regions of Prince Edward Island share in growth and opportunity;
- A creative, entrepreneurial spirit thrives throughout the Island;
- Indicators of progress are evident in the most disadvantaged areas;
- The economies in sub-regions identified as West Prince, Eastern Kings, Southeastern PEI have been strengthened through additional investments, resources and pilot projects;
- Specific development strategies in the rural zones emerge based on the Rural Action Plan;
- The inter-connectedness between rural and urban Prince Edward Island has been reinforced.

Action 40: Employing Special Measures for Sub-regions

The provincial government will develop measures to address the challenges in the sub-regions of West Prince, Eastern Kings and Southeastern Prince Edward Island, which according to data collected for the *Rural Action Plan* are the most disadvantaged areas of the province.

In order to address the challenges faced in these regions, the provincial government is working to create programs specific to these local communities. Three such measures are the establishment of the Holland College Regional Training Centre in West Prince, the Mi'kmaq Roads Initiative and the decentralization of the Department of Fisheries, Aquaculture and Rural Development to Montague. Moreover, the government will identify and implement opportunities to raise the economic fortunes of these sub-regions to a level comparable with provincial averages. Efforts will be made to strengthen the local economies in these regions and stabilize local communities. These measures will include special consideration in the disbursement of development funds, in how development resources are focused, and in how pilot projects are established.

Rural experience a big hit with visitors

There's seeing the sights of Prince Edward Island and then there's being an Islander. For the past four years, Experience PEI has been offering tourists the chance to participate in some unique Island experiences.

Co-owners Mary and Bill Kendrick developed the Experience PEI business plan after finding that guests at their Fernwood B&B reveled at the chance to see Islanders going about their business in traditional industries.

"Someone would be talking to us after a day of going around the province and they would be just delighted because they had been talking to someone. Say they had been looking into a field and the farmer came over and talked to them for 20 minutes about what the farm life was like. People would be just delighted by that," Mary recalls.

"We just thought wouldn't that be ideal if we could offer our guests the chance to go out and have one of those experiences ready and waiting for them? We've had guests ask what the fishermen were doing out on the river with those big tongs. Now we can offer them a chance to go out in one of those boats with an oyster fisherman and have a taste of what a day is like in the oyster business."

The Kendricks now offer more than two dozen different experiences; everything from painting on a beach to farming to spending a day with a piping plover researcher.

"The people who provide our experiences are people who have been working the field for years or for whom the experience has been a life-long hobby," Mary says.

Experience PEI's unique selling point is the rural character of the Island and the way of life lived by the province's artisans and people in traditional industries.

Goal 7: Measures of Progress

- An increased number of business start-ups and expansions;
- Higher employment rates;
- Higher graduation rates;
- Improved environmental outcomes;
- Diversified employment including new private and public sector opportunities;
- Municipalities in these regions grow into service and employment centres;
- Increased number of tourist visitations;
- Sustained wealth generation from primary sectors.

6.0 Implementation

6.1 Rural Development PEI

Secretariat

The provincial government of Prince Edward Island is establishing a new Secretariat – called Rural Development PEI – to implement the 40 Actions set out in the *Rural Action Plan*. Reporting to the Minister responsible for rural development, the Secretariat will constitute a restructuring and replacement of the Community Development Bureau, which acted as the primary instrument for community and rural development for 10 years (1999 to 2009). The government's approach to rural development is changing; it will initiate a stronger policy foundation and a more consistent rural focus in government policy evaluations. Consequently, the government must modernize the structure for providing services to rural Islanders.

The Secretariat will lead the implementation of the Plan in partnership with numerous provincial government departments. With support from the Secretariat, the Minister will chair the Rural Development Secretariat, consisting of the ministers of all departments supporting the implementation of the *Rural Action Plan*. A committee of Deputy Ministers will provide senior policy development assistance regarding rural issues on a government-wide basis.

The Rural Economic Development Advisory Council will continue to advise the Minister responsible for rural development regarding rural economic development issues, with a special focus on the on-going implementation of the *Rural Action Plan*.

Roles and Responsibilities

Rural Development PEI will have both a strengthened staff complement, in order to enhance support for local development groups, and broadened policy and technical support capacity. This transition is consistent with the needs of an integrated approach to rural development, which combines the strategic, long-term approach inherent to government planning with the responsiveness and adaptability required to respond to community-based, grass-roots approaches.

Under this integrated development model, the government function is to provide technical support, financial resources, and information to support community-based decision-making. The government will also provide broad strategies that can be adopted at the rural community level.

Rural Development PEI will have the capacity to conduct research and generate new policies. Two themes for further research were identified during the consultation phase: (1) the need for a Rural Economic Infrastructure Needs Assessment and (2) the need for a comprehensive plan for public spaces, such as provincial parks, beaches and trails, as well as cultural institutions. These two items will be addressed by Rural Development PEI over the course of its 5-year mandate.

Rural Development PEI will be rural Islanders' first and easiest access point to development programs and support.

Community Resource Officers

To facilitate this government support, Community Resource Officers will be deployed regionally on behalf of the Secretariat to help stakeholder groups, businesses and individuals. They will require sound knowledge of provincial government departments and resources, since they'll be required to provide assistance regarding business development, community development and human resource development. The Community Resource Officers must have facilitation skills, as well as strong analytical capacity in order to fulfill a multi-faceted role in rural communities. They will play a leadership role in the rural regions, including organizing and leading the development of the Regional Development Boards. Community Resource Officers will also provide increased technical support and resources for the numerous community development corporations. At least two of the Community Resource Officer positions will be designate bilingual positions.

Rural Lens

The Minster of Fisheries, Aquaculture and Rural Development is committed to accounting for rural issues beyond the economic focus of the *Rural Action Plan*. Consequently, a function of Rural Development PEI will be to apply a 'Rural Lens' to non-economic policy development. Throughout the consultations conducted for this Action Plan, participants were clear that rural economic development is best implemented by taking into account the rural implications of all government initiatives, both those directly related to rural or province-wide economic development, as well as those initiatives that appear unrelated to economics but impact rural communities in other ways.

The Secretariat will assign a staff member to ensure that rural issues are communicated across government and duly considered in policy and program development. For their part, Community Resource Officers will establish a dialogue with rural communities, both directly and through the regional development boards. They will report back to the Secretariat and the Cabinet committee on the rural issues and priorities emphasized by rural communities.

Rural Development PEI will also work with Innovation PEI to develop strategies to fully realize the potential of the two provincial government-owned rural business parks (Bloomfield and Poole's Corner), while respecting that the need to strengthen our rural villages and towns is the priority of government.

6.2 Financing the *Rural Action Plan*

The *Rural Action Plan* is designed – much like the Island Prosperity Strategy – to be a cross-governmental, horizontal response to the needs of rural Prince Edward Island. Each "Action" included in the Plan has been designed to have a direct connection to on-going government policy and expenditure priorities, in order to ensure that the Plan is and remains viable.

As the *Rural Action Plan* was being developed, provincial government departments were already adapting to the policy direction of the 2008 Speech from the Throne, applying the government's priority on rural issues to program and budget development. In response to the government's desire to tackle the challenges facing rural Prince Edward Island, many of these programs have already been activated. Additional "Actions" are fully developed, budgeted and ready to deliver. All costs to implement the *Rural Action Plan* are accounted for within the current government fiscal framework.

The *Rural Action plan* makes numerous references to the program costs required to implement many of the Plan's Actions.

The highlights of expenditure related to the *Rural Action Plan* include:

Development Resources:

Island Community Fund	**$5.3 million per year**
Community Development Fund	**$1.0 million per year**
Work Experience PEI	**$3.0 million per year**
Community Internship	**$1.2 million per year**
Rural Jobs Initiative	**$1.2 million per year**
Total Development Resources for 2010:	**$11.7 million**

Over the course of the 5-year *Rural Action Plan*, it is expected that approximately **$40 million** dollars will be available for Community Economic Development Initiatives.

Primary Sectors and Environmental Conservation:

Some specific investments have been outlined in the *Rural Action Plan* related to Primary Sectors and Environmental Conservation. Along with new programs, the current and anticipated expenditures related to the Plan include:

Low Interest Loan Programs	**$25.0 million**
Innovation and Competitiveness Programs	**$25.0 million**
Environmental Conservation Programs	**$10.0 million**

Over the course of the 5-year *Rural Action Plan*, it is expected the in excess of $60 million will be committed to programs related to Primary Sectors and Environmental Conservation. Many Capital and Administrative programs are outlined in the Plan, which are incorporated within Department and Capital Budgets. Specific investments related to the *Rural Action Plan* will be highlighted as projects are developed and launched.

This budget reflects an ongoing realignment of the provincial government's priorities; it is not additional spending. The *Rural Action Plan* calls for spending existing budget allocations in a focused and responsible manner, one that will lead to fulfilling the objectives of the government's "One Island Community ... One Island Future" vision.

6.3 Timeframe and Objectives

Implementation of the *Rural Action Plan* has already begun. While many new initiatives will formally begin in April 2010, in order to meet this timeframe, immediate action is required by government. While the Actions will take place over the five year delivery term of the Plan, initial steps to kick start the roll-out of the Plan are as follows:

Initial Steps in Implementation

Action	Target Date
Restructuring	
Establish Rural Development PEI	February 2010
Rural Action Centres	
Finalize operations agreement for Rural Action Centres	February 2010
Launch Rural Action Centres	April 2010
Initiate design of Business Outreach Program	April 2010
Primary Sectors	
Develop "Competitive Agriculture" programs	January 2010
Develop Biomass Heat RFP	April 2010
Tourism	
Finalize funding model for RTAs	February 2010
Finalize regional festival and events strategies	March 2010
Finalize plan for 2010 Festival of Small Halls	February 2010
Development of Province-wide Cultural Festival plan	Spring and Summer 2010
Province-wide Culinary Festival	September 2010
Community Development	
Establish CEDIFs	Budget 2010
Hold Rural Development Conference on Youth	April 2010
Launch Community Accounts	May 2010
Form Regional Development Forums	March 2010
Human Resource Development	
Finalize Regional Human Resource Development Councils	April 2010
Finalize plan for Holland College in West Prince	April 2010
Launch Community Internship Program	January 2010
Finalize Leadership Development Program	September 2010
Environmental Conservation	
Implement Changes to Lands Protection Act	December 2009
Initiate process to review and expand ALUS	April 2010
Progress report re Commission on Nitrates in Groundwater	Spring 2010

Conclusion:
Island Prosperity - A Focus for Change

Conclusion

Rural Prince Edward Island is undergoing significant transformations. In recent decades, the lines between rural and urban regions have become blurred; economies that have traditionally been mutually dependent, but disparate, are becoming increasingly integrated. Many rural residents already earn non-traditional incomes and commute to the larger employment centres for work, all the while residing in rural communities and contributing to the economy and culture of these regions.

But much work remains to bring the benefits of these transformations to all areas of Prince Edward Island. Many rural areas continue to experience high unemployment, low wages, and a less educated population. The out-migration of the population, particularly young people, remains a persistent concern. The *Rural Action Plan* is focused on addressing the challenges faced in our rural regions. But at its heart, the goal is also to strengthen the whole of our One Island Community. It is evident that an economically stronger rural Prince Edward Island will strengthen the urban areas, and the province as a whole.

The *Rural Action Plan* includes 7 goals and 40 corresponding actions to renew and revitalize rural communities. The Plan is the culmination of a broad and extensive process, including research, consultations, and deliberation. Throughout this process, an over-riding priority has remained paramount: to align the efforts of all government departments to establish a focused, purposeful, results-based approach to renewing rural Prince Edward Island.

The Plan envisions a vibrant rural Prince Edward Island that is characterized by a diverse economy and a thriving entrepreneurial culture. The primary sectors will be innovative, competitive and sustainable, while complementing efforts to expand the tourism industry and co-existing in a fine balance with the local environment. Rural communities will benefit from a reliable and sustainable public service, enabling them to reverse trends of out-migration and depopulation. The most remote rural areas will benefit from the diversification and investment that has marked progress for most regions of our province. These objectives will be achieved through the pursuit of a clear, strategic approach that strives to institute all facets of the *Rural Action Plan*.

The *Rural Action Plan* marks the start of a new focused approach to rural economic development for the Government of Prince Edward Island. Through its implementation, the provincial government intends to embrace the interdependence and shared future of rural and urban communities, in order to strengthen our Island Community, while making great progress toward the stated vision of the Plan, which is to bring about:

A prosperous, vibrant and healthy rural Prince Edward Island, able to adapt to a changing world and to offer diverse opportunities and a high quality of life to all its citizens.

Appendix 1:
Growing the Island Way Recommendations

Competitiveness

Recommendation 1:

The PEI agriculture and agri-food sector must adopt a market-led culture, using modern market intelligence tools and techniques to set production planning, processing, and market decisions.

Recommendation 2:

The agriculture and agri-food industry should establish a 'Market Opportunities Working Group,' as an industry-led partnership of research agencies, commodity groups, processors, and contracted marketing specialists, to plan and execute targeted market development initiatives for PEI agriculture and agri-food products.

Recommendation 3:

The Atlantic Canada Opportunities Agency (ACOA) of the federal government, and the provincial Department of Innovation and Advanced Learning, should re-establish agriculture and agri-food as a priority sector for economic development. Access to capital is essential to accelerate quality business initiatives.

Recommendation 4:

The PEI government should collaborate with Nova Scotia and New Brunswick on a strategic review of transportation options and potential initiatives that will reduce transport costs and enable the Maritime region to be more competitive in distant markets.

Recommendation 5:

The PEI government should align the work of the departments of Tourism and Agriculture to create economic opportunities for farms that are focused on organic foods, farm markets, agri-tourism experiences, and value added products. This effort should broaden to involve other sectors in establishing a unique PEI brand strategy.

Recommendation 6:

The PEI Agriculture and Agri-food sector must develop a comprehensive strategy for human resource development, including labour market development, training and entrepreneurship, succession planning, and emphasizing the absolute necessity of attracting new entrants to farm business ownership and other agri-businesses.

Recommendation 7:

The PEI agri-food sector partners should work with the provincial government to review tax policy as it relates to the sector. Particular consideration should be given to eliminating the competitive disadvantage to PEI agriculture created by adoption of the Harmonized Sales Tax (HST) in other Canadian provinces.

Recommendation 8:

The PEI agriculture and agri-food sector should take the lead in developing an assessment of energy opportunities for the sector. The assessment should connect new and emerging energy conversion technologies to the current non-food biomass production capacity and biomass waste stream of PEI agricultural and forested lands. To support this initiative, the provincial government should establish an "Energy from Biomass Program" that provides access to risk capital for private sector companies and individuals who establish energy businesses in PEI that utilize agriculture-based and forest products-based alternative energy technologies.

Sustainability

Recommendation 9:

The PEI agri-food sector partners should establish a Sustainable Agriculture Working Group to focus directly on rebuilding the relationship between agriculture and the community.

Recommendation 10:

The federal and provincial governments should continue to support ALUS and other environmental programs that encourage sustainable use of PEI's land and water resources.

Recommendation 11:

The PEI government, in collaboration with the agri-food industry and the broader community, should establish an Advisory Committee, reporting to the Minister responsible for the Lands Protection Act, to review the province's land use policies and make recommendations that better reflect current economic realities and societal preference.

Collaboration

Recommendation 12:

Partners in the PEI agriculture and agri-food system should incorporate an industry-led, private not-for-profit company, to be known as the Prince Edward Island Agri-Food Alliance. to coordinate, facilitate and monitor the implementation of these recommendations for the future of agriculture and agri-food in PEI.

Recommendation 13:

The PEI Agri-Food Collaboration should, in consultation with Agriculture and Agri-Food Canada, establish a new industry-led, cluster-based operating model for the research program of the Charlottetown Crops and Livestock Research Centre.

Recommendation 14:

PEI farmers should work toward a more united and better coordinated farm organizational model, providing strong leadership for the industry and sustained resources drawn from industry and government.

Appendix 2:
Wind Power 10-Point Plan

Securing Our Future: The 10 Point Plan

1. Maximizing Energy Security, Independence and Price Stability for Islanders
2. Generating Revenue from Green Energy Exports
3. Demonstrating Community Support
4. Building a Collaborative Partnership Approach to Cable and Transmission Planning
5. Maximizing Economic Benefits
6. Promoting Sound Land-Use Planning
7. Assuring Compliance with Environmental Review Processes
8. Promoting Fair and Equitable Land Leases
9. Advancing a Consistent Taxation and Business Support Environment
10. Partnering with Proven Developers

Appendix 3: Commission on Nitrates in Groundwater Recommendations

Commission Recommendations

The Report of the Commission on Nitrates in Groundwater includes 30 recommendations in nine categories, dealing with all aspects of nitrate management. Among these, the commission has identified six recommendations that are absolutely essential.

1. Improving Public Education on Protecting Water Quality:

The Government of Prince Edward Island continue to develop a public education campaign to help Islanders understand the importance of making responsible and appropriate personal choices on issues that affect water quality.

Supporting recommendations:

The department responsible for the environment:

- Create a web-based public data system to provide Islanders with access to information on maximum, minimum and average nitrate levels in wells in each watershed; and
- Establish a province-wide water well testing program similar to the free clinics held this past winter and urge well owners to have their water tested at least once a year.
- A teaching unit, credit courses and environmental curricula specific to Prince Edward Island be available in public schools.
- Watershed groups be encouraged to play an important role in public awareness and education.

2. Reducing Nutrient Loading from Sewage Treatment Systems:

Regulations concerning sewage disposal be reviewed and amended, if necessary, to ensure they provide effective groundwater protection in all subdivision developments.

Supporting recommendations:

- Results of analyses of the effluent that is discharged from wastewater treatment plants be available to the public.
- Municipal sewage systems be upgraded to meet current standards and incorporate disinfection with primary and secondary treatment; and tertiary treatment be added if testing shows the effluent from the treatment plant has a negative impact on the waterway where it is discharged.

3. Supporting Watershed-based Water Management Planning:

Government continue to support watershed-based drinking water and surface water quality protection.

Supporting recommendation:

- The Government of Prince Edward Island continue to provide start-up funding and technical support to enable the development of community-based watershed planning and management systems for all watersheds, including a network for information exchange.

4. Mandatory Three-year Crop Rotation:

Government impose a Province-wide mandatory three-year crop rotation in fields under regulated crop production, with no exemptions.

5. Matching Nutrients With Crop Needs to Reduce Nitrogen Leaching:

The departments responsible for agriculture and environment develop a nutrient management/accounting program for crop and livestock producers to ensure that nitrate levels in the soil during leaching periods are maintained at or below acceptable levels.

Supporting recommendations:

- Training be provided to producers and/or their advisors on how to complete nutrient plans.
- Resources be assigned for adequate auditing of the nutrient management/accounting program.
- An appeal system be developed to settle disputes between the producer (or their advisor) and the auditor.
- Realistic financial incentives be developed to encourage producers to adopt the nutrient management/accounting program.
- New programs be used to encourage the removal of agricultural land from potato production in a way that does not harm producer incomes.
- Application of manure, processing waste and other organic matter be prohibited when there is no active plant growth to take up nutrients.
- Government increase financial incentives for manure storage facilities.
- Government continue to support organic farming and new high value crops that require fewer inputs.

6. Identifying High Nitrate Areas:

The departments responsible for environment and agriculture identify high nitrate areas, where national standards for safe drinking water and healthy aquatic systems have been compromised, and appropriate corrective actions be taken to address the problem.

Supporting recommendations:

- The nutrient management/accounting program be mandatory in high nitrate areas.
- Wells be tested annually to monitor the effectiveness of the nutrient management/accounting program.
- Alternative septic systems be required.

Other Recommendations

7. Reducing Nitrate Contamination From Cosmetic Use of Fertilizers:

A policy be developed to reduce the use of fertilizers for cosmetic purposes.

8. Amending Land-holding Legislation:

The Lands Protection Act be amended to allow for the exclusion of environmentally sensitive lands from land-holding limits (conditional upon the implementation of a mandatory three-year crop rotation).

9. Protecting and Restoring Wetlands Which Trap Nitrates:

Government and non-government organizations develop funding initiatives to restore, protect, acquire and expand key wetland areas in the province; an information and outreach program about natural wetlands be developed for private landowners and the Government.

Appendix 4: Commission on the Land and Local Governance Recommendations

Recommendation 1:

That the provincial government adopt a consistent and cohesive land use plan for the entire province that is based on a comprehensive provincial policy, accurate data, effective public consultation, an element of local governance and consistent enforcement.

Recommendation 2:

That the provincial government develop a new conservation strategy which would encompass the principles and goals of the 1994 version and up-to-date policy statements on land use, water quality and alternate energy.

Recommendation 3:

That the provincial government launch the public consultation process by proposing an overall vision and a set of guiding principles for a provincial land use policy, using the Manitoba principles as a guide.

Recommendation 4:

That the provincial government develop draft statements of provincial interest related to the vision and principles of a provincial land use policy and consult with municipalities and the general public before making them part of the regulatory framework.

Recommendation 5:

That the Land Use Coordinating Committee be given responsibility for coordinating internal government actions related to the development of a provincial land use policy.

Recommendation 6:

That the provincial government appoint a task force soon after the release of this report to develop a public engagement strategy around the land use question, to guide the work of government staff, to lead public consultations, and to report periodically with findings and recommendations.

Recommendation 7:

That, before additional measures are considered as a means of influencing land use and development on agricultural land, an evaluation be conducted of the impact of current property tax policy.

Recommendation 8:

That the Minister of Agriculture encourage the Farm Practices Review Board to revisit its role and to become more active in promoting the development and application of codes of practice for farm operations.

Recommendation 9:

That program criteria for the Alternative Land Use Services (ALUS) Program be reviewed and expanded and that the budget be adjusted accordingly.

Recommendation 10:

That any provincial land use policy must establish the preservation of agricultural land as a priority, and that all land use plans, municipal and otherwise, must include an agricultural reserve zone, where appropriate.

Recommendation 11:

That the provincial government retain the current buffer zone legislation which requires that landowners restrict activities within a fifteen metre zone adjacent to all watercourses.

Recommendation 12:

That the provincial government continue its practice of conducting regular corporate land use inventories, the next one of which is scheduled for 2010, and that it complete the State of the Forest Report in 2012.

Recommendation 13:

That the provincial government begin the process of replacing the greenhouse at the J. Frank Gaudet Forest Nursery with a new facility equipped to produce a broader variety of species and nursery stock sizes.

Recommendation 14:

That the provincial government increase the budget for the Greening Spaces, and the Hedgerow and Buffer Zone Planting Programs, to meet current and anticipated demand.

Recommendation 15:

That the provincial government, in consultation with affected parties, continue to develop an implementation plan for the recommendations contained in the report of the Commission on Nitrates in Groundwater, and that concrete action leading to improved outcomes begin as soon as possible.

Recommendation 16:

That the provincial government and municipalities develop and implement land use policies giving greater consideration to watershed boundaries and to the protection of surface and groundwater resources.

Recommendation 17:

That the provincial government review the Subdivision and Development Regulations (sections 13, 14, 26 and 27), which describe the conditions with which a developer must comply before a subdivision permit is granted by the Minister, and bring them more in line with the zoning and development bylaws which apply to the four largest municipalities.

Recommendation 18:

That the Minister encourage all municipalities having an official plan and a zoning and development bylaw to adopt conditions on subdivision development similar to those in effect in Summerside, Cornwall, Charlottetown and Stratford.

Recommendation 19:

That the provincial government continue to monitor and assess the impacts of the trend toward year-round occupation of cottage subdivisions with a view to controlling the future cost of associated public services.

Recommendation 20:

That the regulations governing a special planning area which lies within the established boundary of a municipality cease to apply once the Minister has approved the official plan and the associated zoning and development bylaw for that municipality.

Recommendation 21:

That Executive Council extend the regulations which apply to special planning areas around Stratford, Charlottetown, Cornwall and Summerside to all areas of the province not covered by an official plan or other special planning area regulation, and that these regulations apply until such time as each affected community has developed an official plan and associated zoning and development bylaws to the Minister's satisfaction or, in the case of unincorporated areas, until the Minister has approved a zoning plan.

Recommendation 22:

That the provincial government continue to support groups such as the Island Nature Trust, the Nature Conservancy of Canada and the L.M. Montgomery Land Trust in their efforts to preserve and protect natural areas and heritage places.

Recommendation 23:

That the provincial government continue to move toward its stated goal of protecting 12,749 hectares or 31,500 acres of private and public land under the Natural Areas Protection Act.

Recommendation 24:

That the provincial government offer financial and technical assistance to municipalities and unincorporated communities to help them identify significant landscape features and to develop their own plans to protect scenic viewscapes, including recommendations leading to possible statutory designation.

Recommendation 25:

That a landscape plan, paid for by the developer, be added to the list of conditions attached to subdivision applications, both in municipalities having an official plan and in areas of the province covered by the Subdivision and Development Regulations.

Recommendation 26:

That the Lands Protection Act or its Regulations be amended so that in the case of bona fide individual farmers and farm corporations, exemptions be available for all but arable lands in any determination of aggregate land holdings.

Recommendation 27:

That the aggregate land holdings prescribed by section 2 of the Lands Protection Act remain unchanged.

Recommendation 28:

That the Lieutenant Governor in Council give serious consideration to transferring to the Island Regulatory and Appeals Commission its functions on applications to acquire and vary permits under the Lands Protection Act.

Recommendation 29:

That the Minister responsible for the Planning Act assist communities to acquire the professional planning resources they need in order to inform and consult their residents, and to assist them in the development of official plans and zoning and development bylaws.

Recommendation 30:

That the provincial government offer to assist communities and municipalities to work together through the creation of regional planning authorities.

Recommendation 31:

That the provincial government increase significantly the professional planning capacity within the Department of Communities, Cultural Affairs and Labour.

Recommendation 32:

That the provincial government proceed with the drafting of a new Act (perhaps called the Municipal Government Act) which enshrines provisions that ensure to the greatest extent possible that municipalities are publicly accountable, accessible to their residents, transparent in their processes, responsive to the needs of their residents, and efficient in the manner in which they provide services to their residents.

Recommendation 33:

That the provincial government consult with the Federation of Prince Edward Island Municipalities, the cities of Charlottetown and Summerside, and the towns of Stratford and Cornwall in advance of the drafting of any new legislation.

Recommendation 34:

That the new legislation embody, wherever practicable, the progressive provisions present in the municipal statutes of other Canadian jurisdictions.

Recommendation 35:

That the provincial government initiate consultations with municipalities, either through the Federation of Prince Edward Island Municipalities and/or otherwise, to establish a process for the implementation of a transfer of tax room in relation to non-commercial property tax, at levels equitable to the provincial government and the municipalities.

Recommendation 36:

That in any determination of what constitutes an equitable transfer of tax room, accurate, up-to-date data be applied in establishing the actual or projected cost of services to be provided by municipalities.

Recommendation 37:

That responsibility for the maintenance of municipal streets be transferred from the provincial government to the towns of Stratford and Cornwall, with an appropriate accompanying adjustment in relation to revenue.

Recommendation 38:

That the provincial government, through a process of public information and consultation, determine the consensus of Islanders in relation to the incorporation of some or all of the province into municipalities having a population and tax base sufficient to provide effective and sustainable local governance on matters which are local in scope.

Recommendation 39:

That as part of its public consultation process, the provincial government provide a detailed analysis of the potential tax implications of any proposed changes to current provincial/municipal governance structures.

Recommendation 40:

That changes to local governance legislation clearly provide for the establishment, within a municipality, of different rates of property tax.

Appendix 5:
Standing Committee on Community Affairs and Economic Development Recommendations

Fourth Report of the Second Session Sixty-third General Assembly
Review of Rural Development
November 26, 2008

Recommendation 1:

Your Committee recommends that a Land Use Commissioner be appointed as soon as possible.

Recommendation 2:

Your Committee recommends that government continue to explore appropriate decentralization of government services across the province.

Recommendation 3:

Your Committee recommends that government work with the business communities of the province to engage the participation of young Islanders.

Recommendation 4:

Your Committee encourages government to work with Island educational institutes to promote and create greater access to post-secondary educational options in rural areas.

Recommendation 5:

Your Committee encourages government and the Department of Tourism to work with industry groups to expand the tourism season.

Recommendation 6:

Your Committee encourages government to continue to engage in public consultation with Islanders to further rural sustainability.

Recommendation 7:

Your Committee recommends government meet with the PEI Co-Operative Council to discuss the feasibility of developing Community Economic Development Investment Funds (CEDIFs) initiatives for Island communities.

Notes

Technical Support:

Organization and Communication: Department of Fisheries, Aquaculture and Rural Development

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